

U.S. newsman, KGB suspect return to their home countries

Daniloff claims he's been vindicated

WASHINGTON. — U.S. journalist Nicholas Daniloff arrived home yesterday after a month's detention in Moscow saying he felt he had been vindicated from charges that he had spied.

"I feel terrific," he told a crowded news conference at Washington's Dulles Airport after arriving from an overnight stay in Frankfurt.

The reporter and his wife Ruth were greeted by their children Caleb and Miranda and large crowds of well-wishers.

"I'm awfully glad it's over. You don't have to spend all day wondering what's going to happen next," he said.

Daniloff, 51-year-old Moscow correspondent for the weekly U.S. *News and World Report*, said the cloud that had hung over Soviet-American relations was dissipating.

He added that he was enormously grateful to Reagan for standing up for him.

Looking tired and drawn and noticeably thinner than he was before

his arrest, he added: "Serving in Moscow... makes you a great American patriot."

He said the arrangement governing his release and the earlier departure of Soviet U.N. official Gennady Zakharov for Moscow from the same airport, had underlined his innocence compared with the Russian.

Daniloff said the KGB officials who had arrested him on August 30 had not punished him.

Asked about President Reagan's meeting with Soviet leader Gorbachev in Iceland next weekend, the journalist said he favours it.

The Americans and the Soviets "are a lot alike" and it is "a good thing when we have contact, more contact rather than less contact," he said.

Daniloff was to meet last night with Reagan. He said he hoped to return to work shortly and planned to cover the Iceland meeting. (Reuters, AP).

Soviets keep Zakharov away from all newsmen

MOSCOW. — Soviet U.N. official Gennady Zakharov, accused by the U.S. of spying, arrived in Moscow yesterday aboard an Aeroflot flight, airline officials said.

Zakharov was allowed to leave the U.S. as part of the deal for the release of American journalist Nicholas Daniloff.

Zakharov, 39, was apparently whisked away by the authorities on his arrival. An hour after the aircraft landed he had still not appeared at the usual arrivals gate where a large number of journalists were waiting.

Zakharov flew home after earning a place in the record books — the first alleged KGB agent ever to be put on probation and told he can return to the U.S. He also became the first alleged spy ever to plead no contest to the espionage charges against him.

In addition, Zakharov was the first alleged spy to have a judge waive the most serious charges against him so that he could legally let him go.

Those charges — espionage and conspiracy — carry life sentences, and U.S. law prohibits releasing people

accused of offences that carry a life term.

Zakharov's freedom came in a five-minute court hearing in the Brooklyn federal court that was preceded by a 15-minute session in the judge's chambers.

The proceedings were at first sealed but later made public at the insistence of several news organizations.

When Zakharov entered court, he looked like a man who could not stop smiling. He smiled at his lawyers, smiled at his prosecutors, smiled at journalists and when he left the court, he broke into a broad grin, saying he felt "great."

A smiling Zakharov then left the court telling reporters: "I am not a spy," and adding he would like to come back to the U.S. once his probation was over. He went directly to the airport.

Zakharov, a Soviet UN employee who did not have diplomatic immunity, was arrested August 23 on a New York City subway platform while allegedly taking possession of defence secrets passed to him by a Guyanese student. (Reuters, AFP)

Orlov's wife fears for his health

MOSCOW (AFP). — Soviet dissident Yuri Orlov, who is to be released this week and go to the U.S., has lost all his teeth and looks "terribly haggard," his wife Irina said yesterday.

At an impromptu news conference at her Moscow apartment she also told western correspondents that her husband, who has spent eight years in detention, had never wanted to emigrate.

Orlov's release was announced in

Washington on Tuesday by Secretary of State George Shultz.

Orlov, a physicist who founded the Helsinki Monitoring Group in the Soviet Union was arrested in 1977. He was sentenced in 1978 to seven years in a labour camp and five years of internal exile for anti-Soviet activity.

In Geneva, the forthcoming release of Orlov has been welcomed "with great joy and satisfaction" by his defence committee, its chairman Peter Schmid said yesterday.

U.S. Vietnam clash on issue of U.S. prisoners

HANOI (AFP). — Vietnam dismissed a Pentagon report suggesting that U.S. servicemen may still be detained in Indochina.

"There are no living American prisoners in Vietnam," an official source stressed yesterday.

Despite Hanoi's displeasure with the report, the Vietnamese official said that it would not jeopardize the next U.S.-Vietnamese meeting on U.S. troops missing in Vietnam. The meeting is scheduled to start here next Wednesday.

'Classic Aid' concert for refugee relief

GENEVA (Reuters). — About 40 of the world's best-known concert musicians led by star conductor Lorin Maazel took part in a classical music extravaganza in aid of refugees beamed to an estimated 300 million television viewers on Tuesday night.

The Classic Aid concert, emulating last year's Live Aid pop music event and organized by the UN's main agency in charge of refugees, was expected to raise between \$1.8 million and \$2.4m.

Tickets fetched up to \$300 each for the almost three-hour showing in Geneva's Grand Casino.

Aid organizer and British rock star Bob Geldof paid tribute to the musicians' efforts.

Live performances featured pianists Krystian Zimerman and Miguel-Angel Estrella, soprano June Anderson, guitarists John Williams and Narciso Yepes, violinist Anne-Sophie Mutter as well as Piano-Cello duo Vladimir Ashkenazy and Lynn Harrell.

Jessye Norman accompanied on piano by Sir Georg Solti sang via satellite from a Chicago recording studio, while video recordings were contributed by Yehudi Menuhin from Gstaad, Kiri Te Kanawa from Edinburgh, conductor Zubin Mehta

corded Takemitsu performance conducted by Seiji Ozawa.

Host Jean-Pierre Hocke, UN High Commissioner for Refugees (UNHCR), thanked participants for their solidarity.

"Tonight's exceptional classical music concert must sensitize public opinion to the plight of the world's 11 million refugees, their sufferings, their hopes, their needs," he said.

Almost 30 national television channels brought the mammoth fundraising event into millions of homes around the globe.

"The refugees' cause is one that deserves being mobilized for," said

threatened by conflict, war, or persecuted for their religion, their race."

Maazel introduced the artists amid thunderous applause. He was helped by British actor-director Peter Ustinov, film stars Catherine Deneuve and Gina Lollobrigida as well as Sally Burton and Clarissa Mason the widows of actors Richard Burton and James Mason who both supported the refugees' cause.

The UNHCR was founded 35 years ago, and although its budget has spiralled from \$7.2 million to \$400m., the agency says it still does not have enough money to cope with the exodus of peoples on almost

Reagan seen losing on S.A. sanctions

WASHINGTON (AP). — President Reagan's last-minute lobbying campaign to sustain his veto of sanctions against South Africa appeared to be falling short yesterday, despite administration efforts to link the issue to success at the U.S.-Soviet summit.

Asked by NBC-TV whether the administration has the votes to sustain the veto, Secretary of State George Shultz said: "Well, I don't know. We're working on it."

"I think it's very important that the Senate sustain the president's veto... We don't want to take steps that confuse a drive at apartheid with what amounts to a deprivation of jobs to the people who are victims of apartheid," Shultz said.

A White House spokesman added yesterday that Reagan would be making some phone calls to senators seeking support for his veto.

But even some of Reagan's closest allies in the Senate said there was virtually no chance the president's veto would be sustained.

The bill Reagan vetoed would ban all new investment and all new bank loans in South Africa, and landing rights in the U.S. for South African aircraft and ban the import of South African iron, steel, coal, textiles, uranium, arms, food and agricultural products.

In South Africa, meanwhile, about 325,000 black miners yesterday stayed away from work to mourn the 177 men killed in the gold industry's worst accident at Kinross on September 16.

Union officials said that more than half the black miner workforce of nearly 600,000 had stayed off the job for the entire day.

Another 275,000 workers in other industries reportedly took part in

memorial services, many including one-hour stoppages.

The mining industry provides over 60 per cent of South Africa's foreign-currency earnings.

The mining firms declined to speculate on the effect of the one-day stoppage. But an independent academic group based at Johannesburg's Witwatersrand University said the stayaway cost the industry \$3.6 million.

About 100 black workers and officials of the National Union of Mine-workers gathered for a memorial service in the union's downtown Johannesburg offices. They stood with raised fists and sang "Nkosi Sikelele," the unofficial black national anthem. A small procession carried a black-painted coffin down the hall followed by posters declaring "100 years of exploitation."

FOREIGN NEWS IN BRIEF

Tycoon buys Getty home

LONDON (AP). — Sutton Place, British home of oil tycoon J. Paul Getty, has been bought by American multimillionaire Frederick Koch and will become a gallery for Koch's art collection, *The Daily Telegraph* reported yesterday.

It quoted unspecified art-world sources as saying that the purchase of the sumptuous 461-year-old Tudor mansion, 50 kilometres southwest of London, had recently been completed.

PM's security folder found lying in street

WELLINGTON (Reuters). — New Zealand Prime Minister David Lange said yesterday he had launched an inquiry into how a police folder containing details of his personal security arrangements was found lying in a city street near a police car-pool garage.

Inside the folder was highly confidential information on Lange's flat in Wellington, including his private telephone number, the location of alarms and how to disarm them, and detailed instructions on how police should respond to an alert.

The discovery of the folder was reported yesterday in Wellington's *Dominion* newspaper, to which an unidentified man handed it. "I started reading it and I freaked out," the man was quoted as saying.

Three Athens blasts

ATHENS (JTA). — A bomb exploded at 3 a.m. yesterday in the building housing the offices of the Central Jewish Board of Greece (CJBG). Nobody was hurt and only minor damage was caused.

The offices of the Athens Workers Union are in the same building and police believe that the bomb was meant for the union and not the CJBG.

Two other bombs exploded at the same time, at the offices of two other workers' unions.

A leftwing extremist organization took responsibility for the bombings.

Strike in U.S. ports

NEW YORK (AP). — Picketing began at East Coast ports early yesterday as some 30,000 members of the International Longshoremen's Association went on strike, officials said.

Their three-year contract covering all 36 ports from Maine to Texas expired at midnight on Tuesday.

New BBC chairman

LONDON (AFP). — Prime Minister Thatcher, in a surprise choice, has named *Times* newspapers director Marmaduke Hussey, 63, as chairman of the BBC.

Bombings in Idaho linked to 'Aryan' church group

COEUR D'ALENE, Idaho (AP). — Idaho Governor John Evans said Tuesday that he believes the recent bombings in this resort town were a "backlash response" to the human-rights effort in Idaho. Jews and "Aryans" blame each other for the attacks.

The town is headquarters of the white-supremacist Church of Jesus Christ Christian (Aryan Nations), and has been the site of several civil-rights confrontations during recent months.

On Monday morning, a bomb exploded at the Federal Building shortly after 9 a.m., shattering windows three blocks away. Two bombs exploded minutes later, one near a restaurant and the other at a business. A fourth bomb was found and defused, and telephone threats forced evacuations of businesses and government offices.

No one was injured, but Police Chief Frank Premo said he believes the bombs were thrown from a moving vehicle, and could have caused injuries or deaths.

The Aryan Nations Church denied responsibility for the blasts. Church officials blamed the bomb-

ings on the Jewish Defence Organization.

But Mordechai Levy, head of the JDO, said on Monday that he held the Aryan Nations to blame for the bombings.

"Obviously, there's going to be a payoff to those who plant bombs," Levy said from his New York City headquarters. "Hopefully it will come from the Federal government. If not, I predict that there are those in the community who will come after the Nazis."

The Aryan Nations sponsored a nationwide convention at its Hayden Lake compound in July, sparking peaceful protests by the Kootenai County Human Rights Task Force. The home of the Rev. Bill Wassmuth, head of the task force, was bombed two weeks ago.

In Red Deer, Alberta, Terry Long, Canadian leader of the White Supremacist Aryan Nations, said on Tuesday that he will file assault charges against the leader of the Jewish Defence League.

Long clashed last month with Meir Halevi, Canadian president of the JDL, at Long's home in Caroline, Alberta.



American correspondent Nicholas Daniloff is greeted by his daughter Miranda at Washington's Dulles Airport yesterday. (AFP telephoto)



Accused Soviet spy Gennady Zakharov boards a plane in Washington on Tuesday for his flight home to Moscow. (AFP telephoto)



Pope John Paul II poses with the Harlem Globe Trotters basketball team in Rome's St. Peter Square yesterday. (Reuters)

Hospital loses body of infant, produces remains of monkey

PITTSBURGH (AP). — A woman says she just wants to know "where our baby's body is" after a hospital lost the remains of her stillborn child and insisted a dead monkey was the human fetus.

Constance Lowder, 37, and her fiancé, Wilbur Bergman, said Mercy Hospital never explained how it lost the body and confused the remains with a monkey fetus wrapped in linen and found at a laundry service used by the hospital.

"They treated me really shamefully, very unprofessionally... No one of any authority ever tried to contact me," Lowder said Tuesday.

"I would just like to know where our baby's body is... someone has to give me some answers," she said. "They told her they lost the baby, then they come up with a monkey," Lowder's lawyer, Foster Stewart, said of hospital officials. "The next thing they'll tell her is she had a monkey."

Mercy spokeswoman Mary Donnelly said that while the hospital cannot explain how the monkey remains ended up in the laundry, "several institutions in the Pittsburgh area, who use a common

laundry facility, may be involved in research using monkeys."

Allegheny County coroner Joshua Perper said that police were investigating the discovery of the monkey and the disappearance of the infant's remains.

Mercy Hospital is still trying to locate the remains of the fetus, Donnelly said. She would not comment on Ms. Lowder's statements that the hospital treated her badly.

Lowder, in her sixth month of pregnancy, gave birth to the stillborn baby August 5.

Four days later, she learned the hospital had lost the body.

"I went to the funeral home to make the arrangements and two women from Mercy were there. They informed me they couldn't find the body," she said.

On August 8, Perper said, Mercy Hospital officials asked him to identify fetal remains that were found at the laundry used by Mercy.

Perper said he reported to hospital officials that the remains were those of a monkey.

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Likud united against coalition amendments:

'Labour can't expect to change the rules'

By SARAH HONIG
Post Political Correspondent
TEL AVIV. — "Not one inch" is the united Likud response to all Labour demands for amendments to the coalition agreement. Sounds familiar. As with Judea and Samaria, here too the party speaks with one voice.

Differences exist only in the interpretation of Labour's motives, and in minor nuances.

Some see Labour's demands as "childish frustration" or "a show of ill-will to be expected from a party that has again tasted power and can't give it up so quickly." But these demands, it is argued in the more moderate school of thought, are of nuisance value only.

Others see them in a more sinister light as one more manifestation of Labour's bad faith, if not as a last-minute attempt to put one more spoke in the rotation's shaky wheels.

The Likud line, in its public pronouncements and in usually more-revealing private conversations, is that Labour entered into an agreement 25 months ago on the understanding that it would be in force for 50 months.

"Labour can't now expect to change the rules of the game," says the Likud's negotiator, Moshe Nissim. "These rules were OK so long as Labour benefited from them. But now that the Likud appears about to collect on its very risky political investment, Labour wants to change the terms. Labour knew exactly what it was getting into in 1984. There are no surprises here. To change things now is totally, inexcusably unfair."

The Likud believes that Labour may put on a show of walking to the brink, but that it will be careful not to get too close. "The public will perceive Labour as unfair, and



Vandals tried to obliterate the 'no' in this advertisement on a Dan bus in Tel Aviv. The original read: "There will be no rotation." (APPA)

Labour knows that it would lose if it forments a crisis over the coalition agreement, which it signed. The man-in-the-street will see it for what it is — an attempt to welch on an agreement," a confidant of Nissim stresses.

Nevertheless, Labour's Moshe Shalal, who is negotiating the demanded amendments with Nissim, argues that the coalition agreement needs revising. For example, it calls for a pullback from Lebanon, which has already been achieved. "That's absurd."

It is not the Lebanon pullback clause which is bothering Shalal and his mates," a source close to Vice Premier Yitzhak Shamir told The Jerusalem Post.

The source added that the Labour demand for a greater say in economics is "hypocritical." When the coalition agreement was negotiated, "it was Labour which shunned all major economic portfolios. It treated them as political hot potatoes and preferred that the Likud burn its fingers with them. But now that the economy programme has turned into an unexpected success story,

Labour has suddenly recognized the significance of what it accepted two years ago."

What angers the Likud most, according to several party sources, is the demand that, after 25 months as prime minister, Shamir should, prior to the next elections, hand the premiership back to Peres for the interim period before the next government takes over as a result of a general election.

"They can't be serious," the source said, "unless they really consider us political morons. We agreed, at great risk, to let Labour benefit from having the premiership first. We swallowed many unpalatable things during the first 25 months. Since Labour has already taken what it can out of rotation, we will probably also have a tough time when we do get the premiership. With nothing to lose, Labour will act more like an opposition party than a partner."

"The only compensation for all this is that we will go into the next elections with the premiership in our hands. To ask us to give up even this advantage is preposterous cheek."

Nissim commented: "They must be joking."

The one solution Likud politicians are willing to consider is that elections be declared several weeks short of Shamir's 25 months in office, so he will not serve more than that time. This is difficult to guarantee, though, since one can never know how long it will take to form the next coalition, and Shamir would then remain in office until a new cabinet would be formed.

Aside from its negotiating with Labour, the Likud also has some internal rotation business to attend to. For example, it has to select the team that will follow Shamir into the Prime Minister's Office.

Yossi Ben-Aharon, long at Shamir's side, will in all likelihood replace Avraham Tamir as director-general of the Prime Minister's Office.

Cabinet secretary Yossi Beilin, who may (if Peres finds a way out of his own appointments snarl) soon become Israel's ambassador in Washington, will be replaced by an import from the embassy, Elyakim Rubinstein.

Shamir's economic adviser will be an official from the Bank of Israel's research department, Amos Rubin. Boaz Applebaum, Peres's bureau chief, will make room for Tzahi Hanegbi, a rising star in Herut.

The many sources who supplied ample information about mooted appointments are agreed on the above. From here on in, however, things are far from definite.

One scenario has Foreign Ministry-spokesman Avi Pazner succeeding Uri Savir as the premier's media adviser. Journalist Arye Mekel is seen, in this scenario, as succeeding Baruch Askarov as the adviser's deputy or as the premier's

spokesman, depending on how the job is defined.

According to some sources, Pazner may soon be appointed ambassador to some important capital, perhaps as part of a deal that would enable ultra-dove Beilin to be sent to Washington. In that case, Mekel would be the adviser and not the deputy.

But if Beilin goes to Washington, sources in Herut say, UN ambassador Binyamin Netanyahu may be asked to stay on in New York as Shamir's real contact man with the White House and Capitol Hill and to circumvent Beilin.

Another, contradictory, scenario has Netanyahu back in Israel as the prime minister's adviser on fighting terror. Some have it that Netanyahu, Moshe Arens's protégé, is not too keen on the job and would prefer being cabinet secretary, since his goal is to enter politics. For this he needs media exposure, rather than a job that would relegate him to the shadowy background.

Another question mark hovers over Shamir's adviser Yossi Achmeir. He, it is said, would like to be appointed Government Press Office chief and has been promised the job. However, when Peres became premier, he installed Yisrael Peleg in the GPO. Peleg, with his party's support, now claims that this is not a political appointment, but was won through a Civil Service tender. Whether or not this is so, the bottom line is that if Peleg refuses to vacate his office, it is not clear how Achmeir can move in.

This has become one of the several bones of contention between Labour and the Likud on the transfer of the premiership. It may be resolved through a more comprehensive deal.

SMITH POLL

Hardening stand on peace, poll shows

By HANOCH and RAFI SMITH

Smith polls over the last few months have shown increased support for Jewish settlement in Judea and Samaria, matched by growing antagonism to the area's Arab residents.

In the September poll, 38 per cent of those questioned agreed with the statement: "I support anyone who acts to get the Arabs to leave Judea and Samaria." In June, 34 per cent agreed with this statement.

During the premiership of Shimon Peres over the past two years, public support for peace negotiations with the Arabs has increased, on condition that they do not include the PLO. But the same period has witnessed a hardening of the public's positions on possible concessions for peace, new settlements in the administered territories and attitudes towards the Arabs in the territories.

Since the Smith poll in June, Peres has held summit conferences with King Hassan of Morocco and with President Mubarak of Egypt.

But a hardening of positions is still evident, as is to be seen in answers to key questions in the poll conducted from September 1-12 for The Jerusalem Post:

"If the PLO recognizes Israel and renounces terrorism, Israel should negotiate with it."

(in percentages)

Date	Agree	Disagree	No opinion
June 1983	48	41	11
August 1985	45	52	3
February 1986	44	51	5
June 1986	42	53	5
September 1986	43	52	5

Despite the latest slight shift, in the year between August 1985 and September 1986 there has been a gradual trend towards rejecting negotiations with the PLO even if it were to recognize Israel and cease all terror.

Regarding settlement in the territories, this trend is also apparent:

"Despite the economic situation, there should be more settlements in Judea and Samaria."

(in percentages)

Date	Agree	Disagree	No opinion
Feb. 1986	37	58	5
June 1986	43	53	4
Sept. 1986	45	49	6

Over the last seven months, there has been a substantial rise in the percentage of those agreeing that despite the difficult economic situation, more settlements should be built. The public is nearly evenly divided on this issue, while supporters of the religious parties now lead Likud and Tehiya followers in favouring increased settlement.

"I support anyone who acts to get Arabs to leave Judea and Samaria."

(in percentages)

Date	Agree	Disagree	No opinion
Aug. 1985	35	60	5
Feb. 1986	29	68	3
June 1986	34	59	6
Sept. 1986	38	58	4

Although responses have varied during the year, in the September poll those agreeing with this statement reached a high of 38 per cent. In 1983, when this statement was first polled, 22 per cent of interviewees agreed with it.

Attitudes on territorial compromise have also hardened. The September poll included the statement: "In peace negotiations with the Arabs, Israel should suggest territorial compromise against suitable security guarantees." About 37 per cent agreed, 54 per cent disagreed and 9 per cent had no opinion. In the February 1986 poll, 41 per cent had agreed, 50 per cent disagreed, with 9 per cent again giving no opinion — a 4 per cent shift towards a more hardline stance.

Labour and Likud supporters are strongly opposed on the above issues. This split in fact encompasses two distinct camps, with Shinui, Citizens Rights Movement and Mapam supporters responding like Labour voters; and Tehiya and Kach voters tending to line up with the Likud and the religious bloc.

Thus in the Labour camp, a clear majority answered that they would negotiate with the PLO if it recognized Israel and renounced terrorism. But in the Likud camp, only one-third said they would support such negotiations, and there were even lower percentages for religious party and Tehiya supporters.

There is also strong disagreement over support for those actively seeking to get the Arabs to leave Judea and Samaria. A majority in the Likud-religious camp favour such a position today, while it is overwhelmingly rejected throughout the Labour camp.

The most extreme polarization is found on the issue of increased settlements in Judea and Samaria. Despite the economic situation, nearly 70 per cent of those who support the Likud-religious bloc of parties favour more settlements, while only slightly more than 20 per cent in the Labour camp support this position.

Maximum dental care prices

By JUDY SIEGEL, Jerusalem Post Reporter

The Health Ministry yesterday published "recommended maximum" prices for dental care. They are only 10 per cent higher than those published 15 months ago, a rise that is less than the increase in the cost-of-living index since July, 1985.

Although dentists who charge more cannot be prosecuted, the Israel Dental Association (IDA) has accepted the price list as "morally binding." Complaints can be filed against dentists who overcharge at district health offices in Jerusalem, Tel Aviv, Haifa and Beersheba.

The price list, effective as of last August 1, can be obtained at all district health offices or regional Health Ministry offices.

The following partial listing includes VAT:

	NIS		67
examination	13	surgical extraction/impaction	172
consultation and opinion	11	periodontal surgery per quadrant	

'U.S. decision on Waldheim soon'

By WALTER RUBY

NEW YORK. — Attorney-General Edwin Meese has said that he will decide, "in a very short time," whether Austrian President Kurt Waldheim should be placed on a U.S. government list for Nazi war criminals.

Speaking to the Conference of Presidents of Major American Jewish Organizations on Tuesday, Meese dismissed speculation that the Justice Department had delayed acting upon a six-month-old recommendation by its Nazi-hunting unit, the Office of Special Investigations, that Waldheim be placed on the watch list and barred from entering the U.S.

Meese contended that it had been necessary to give Waldheim's lawyers time to present their case. In an apparent allusion to the actions of the World Jewish Congress, Waldheim's chief accuser, which has continued to release seemingly incriminating evidence against the Austrian president, Meese remarked: "There has been a slight complication in that whenever we think we have all the evidence, more comes

up and that delays the process." But, Meese pledged: "The deliberative process will go forward, and in a very short time, I expect to announce a decision in this matter... Justice will be done."

Other points made by the Attorney-General:

- On the subject of Jonathan Pollard, the U.S. citizen arrested on charges of spying for Israel, Meese noted that Pollard and his wife Ann Henderson had pleaded guilty and would be sentenced in November.

Meese commented: "To the extent that other investigations are taking place, we hope they will be concluded as rapidly as possible."

The attorney-general declined to say whether Israeli general Aviam Sela, who according to press accounts is suspected of directing Pollard's spy missions, was being investigated or would be charged by U.S. authorities.

Meese termed "absolutely despicable" a series of leaks to the press by anonymous Justice Department personnel casting an unflattering light on Israeli military procurement techniques in the U.S. He promised that

if those personnel were identified, "they will be disciplined, and prosecuted if that is appropriate."

- The Justice Department is carefully monitoring a PLO information office in Washington to determine whether the office is going beyond its information role and is in any way "aiding terrorism" in the U.S. and around the world.

The issue of the PLO office is "sensitive" and, since it is subject to the Foreign Agents Registration Act, the Justice Department would have to determine that the office had violated that act before moving to close it.

- It is "entirely appropriate" for Americans to protest against the policies of both South Africa and the USSR; but protesters should carry out their protests "within the law." Demonstrators arrested for protesting outside the Soviet Embassy have been prosecuted, whereas protesters arrested outside the South African embassy have been freed, because that charges be filed against protesters, whereas the South Africans have asked that charges be dropped.



Yitzhak Bochorva, head of the Or Yehuda local council, which received a Kaplan Prize for outstanding work in neighbourhood rehabilitation, turns the award over to Housing Minister David Levy. Or Yehuda, which has been adopted by Milwaukee, Wisconsin and Ontario, under Project Renewal, chose to give the award to Levy who heads the project in Israel.

Anti-Zionist Austrian Jew at top of German pop poetry

LONDON. — At the Frankfurt book fair which opened yesterday the Berlin publisher Wagenbach has among its wares a volume of autobiography called *Minuend Sohar Lachen* which translates as *Sometimes Even Laughter*.

It is by an Austrian Jew, Erich Fried, who is probably the major living poet in the German language. His books enjoy sales in West Germany that a successful thriller writer has elsewhere.

Liebesgedichte, a single volume of love poems, first published six years ago, sold 160,000 copies. He modestly puts his success down to a reaction against "the demystification of sex."

In May, Fried went to Vienna to collect the state prize for poetry. There he talked to former Chancellor Bruno Kreisky about the chances of stopping the right-wing former UN secretary-general Kurt Waldheim becoming president. Then the poet returned to his comfortably chaotic Victorian house in a north London suburb.

Fried was born in Vienna in 1921

but has lived in England for almost 30 years now. He came here as a 17-year-old refugee whose father had just died of internal injuries received by the kicking and beating of Gestapo thugs indifferent to his status as a front-line veteran of World War I.

After the war he did not want to return to an Austria that was half-occupied by Stalin's troops, and by the time they had gone he had already lived in London as long as he had lived in Vienna. His wife Catherine, an artist who has illustrated one of his books, is British. In all, he has been married three times, twice to Britons.

Fried's left-wing credentials include his close friendship with Rudi Dutschke, the radical West German student leader of the 1960s who died in London. He thinks that journalist-turned-terrorist Ulrike Meinhof was the greatest German woman since Rosa Luxemburg. Like his friend Heinrich Boll, he regrets that she put down the pen for the sword.

He is also among those who believe that the Israeli secret service

helped to kill Meinhof.

Fried is fiercely anti-Zionist and was once "sentenced to death" by the Jewish Defence League who believed (wrongly) that he had handed over some poetry prize money to the PLO.

After 17 years, he refused to contribute any more political pieces to the German section of the BBC World Service, which is beamed at East Germany, because he believes

become as they."

But his most controversial work to date has been his one long venture into prose, a novel called *A Soldier and a Maid*. It is about a love affair between a GI of German-Jewish extraction and a young concentration-camp wardress and is set on the night before her execution. The story was inspired by Irme Grese, a 21-year-old guard at Belsen concentration camp who was hanged

his income comes from translating Shakespeare. He is currently working on his 27th play, *King Lear*. His English is excellent, but the accent can sometimes be heavy, like one of the German villains in an old movie.

He is an Anglophile. British wartime conduct particularly impressed him and he has fond memories of his own nights as an air raid warden during the London blitz. But he is not uncritical. "The British are

(Continued from Page One)

that material was essential. Gouldman told The Jerusalem Post that he and his colleagues had to be prepared for every eventuality.

Shaked opened the proceedings by formally requesting an extension of Demjanjuk's remand until the end of his trial. He based his request on the facts, as set out in the charge sheet released two days ago, "which speak for themselves." But he indicated that he was willing to give additional information, if the judge so required. His words—spoken with deliberation—were translated into Ukrainian to Demjanjuk and into English to O'Connor.

Shaked said that the witnesses who the prosecution had lined up had worked close to Demjanjuk for many months and that the accused's personality had therefore left a deep impression on them.

Shaked then sketched the entire history of the case, beginning in 1976, when the U.S. Immigration and Naturalization Service sent the Israel police a photo folder, asking for witnesses to identify one Feodor Fedorenko, a guard at Treblinka. Witnesses here had then identified Fedorenko, but also identified John Demjanjuk, who was known to them only as "Ivan the Terrible" at Treb-

linka. Demjanjuk's photo had been in the folder, where he was listed as a guard at the Sobibor extermination camp.

Shaked outlined now, from this initial identification, a photocopy—and later the original—of an SS identification card was submitted to U.S. courts. This card contained a photo of Demjanjuk, his personal details and the note that he had a scar on his back from a war injury. A copy of this ID card was submitted to Cohen, together with testimony by U.S. experts attesting its authenticity. (The defence during the U.S. extradition hearings said the card was a KGB forgery.)

Shaked said that the U.S. court in Cleveland had accepted the ID card as evidence. He stressed that this fact alone invalidated Demjanjuk's claim that he had been a German prisoner of war from 1942 until the end of the war and that he had never trained as an SS auxiliary at the Trawniki camp or served as a guard at any extermination camp.

Shaked added that the prosecution also had the evidence of a former SS man who served with Demjanjuk at Treblinka. He summed up by saying: "We feel we have sufficient proof to establish the identity of John Demjanjuk as Ivan, the

APR 10 1986



The shofar blower

LEAH ABRAMOWITZ

THE CENTRAL part of the Rosh Hashana service, the section that inspires hushed awe and reverent concentration, is the shofar-blowing ceremony. According to the rabbis, the ram's horn has the ability to arouse fear and trembling, for it says in the book of Amos, "If a shofar is sounded in the city, will the people not tremble?"

Who are the people vested with the responsibility of turning hearts to repentance and kindling the determination to do better? The shofar-blowers are generally ordinary Jews: tinkers, tailors, candle-stick makers — who on the High Holydays assume semi-mystical status during a short time they are "centred stage."

Zev is a well-known doctor in Jerusalem who has been blowing the shofar since the age of 15. "Now," he admits, "I wouldn't have the *hutzpa* to blow in public at that age. It was a bit of showing off, blowing a shofar then."

Josh, an accountant-lawyer, began even earlier. "My father was a shofar-blower. He had shofarot lying around the house. I must have been three or four when I started tooting into one. Today, Josh's son follows the family tradition and his little four-year-old grandson is just acquiring the art."

Zev and Josh both begin practising a month before Rosh Hashana. From the second day of Elul, it is

customary to blow the shofar at the morning service to get the congregation into the proper frame of mind for the days of Awe.

The shofar blower isn't satisfied with technical mastery; he is busy studying the various laws of this mitzva and delving into books on Jewish ethics and philosophy.

Josh goes over the laws every year, even though he's amassed 60 years of experience. Zev says frankly, "I really should start by Tisha Be'Av, but I never get around to it. I'm a very insecure shofar-blower."

"What could actually go wrong?" Shofar blowing is an art, which requires much skill, good lungs, enough practice but also luck.

"The first blow is critical. If it doesn't go smoothly, you're nervous the whole time," explains Zev. Josh, too, takes the responsibility greatly to heart. He doesn't want to disappoint the congregation. There is even an old wives' tale that if the shofar blowing goes well, they'll all have a good year.

He has another concern. "Am I suitable to serve as the representative for all these people?" He comforts himself with the thought: "Well, if they chose me I have to do it."

If both the blower and the listener

have the appropriate intention — the blower to enable the congregation to hear the *tekiya*, the listener to pay careful attention to them — then both are equal in the performance of this central mitzva. Complete concentration is required by both. No interruption by even a word is allowed during the blowing. The Rambam expressed what the shofar's purpose should be: "Awake from your sleep you slumberers...Examine your deeds, repent...Look into your souls, improve your behaviour...Forget your evil path and impure thoughts."

In the service, extensive preparations precede the shofar blowing to strengthen its awe-inspiring effect. In some congregations the blower, the prompter and the reader immerse themselves in the mikva before the actual blowing. Meanwhile, the worshippers study the meaning and significance of the *tekiya* and endeavour to attain the correct level of devotion. The rabbi often gives a sermon designed to move the listeners to penitence.

The congregation recites Psalm 47 seven times "to penetrate the seven firmaments of Heaven." While the blower recites a private prayer that he may be found worthy and to enlist divine assistance for his blowing, the

congregation recites six other verses, concluding with: "God is gone up amidst shouting, the Lord amidst the sound of the horn." The blessings and the blowing commences.

There is a legend that the angel who determines how the shofar blowing goes is also in charge of the success of Shabbat cholent. "How is it possible that one angel gets two such different jobs?" Josh asks with a twinkle. "How is it possible that one angel performs two tasks?" The answer is that he doesn't. "That's why on Shabbat we never blow the shofar," he sums up semi-seriously.

Zev explains that there were different opinions about what the calls of the shofar should resemble. Some thought the *Tru'a* should be like the waiting sound made by women mourning. Others said the *Shvarim* should sound like sighs of anxiety and a third opinion held that they should be a combination of both. Thus all three are heard in every possible combination, a total of 30 times.

However, it has become the custom to blow 100 calls: 30 between the morning and the additional service, *musaf*, 30 during *musaf*, 40 at the end of *musaf*, and then the last, long call, the *tekiya gedola*. (The 101 calls are comparable to the 101 letters in the lament uttered by Sisera's mother (Judges:5), the last of which was a mother's cry of anguish. It is

also the numerical value of Michael, Israel's protecting angel. The *tekiya gedola* has kabbalistic connotations.

Josh has taken to limiting that last blow, because he found worshippers were beginning to count how long he could hold his breath (at least 30 seconds), rather than keeping their mind on the mitzva. Several horns are laid out on the reader's desk in case one or more prove faulty. They are kept covered until the actual moment of use to protect them from humidity and curiosity, from "the temptation to practise."

Zev holds that a good prompter is as important as a well-practised blower. The prompter calls out the order of the shofar calls. "He has to be very understanding and patient; he has to know what he's doing." The prompter and the blower are a team. They practise together and are tested by the local rabbi before Rosh Hashana.

According to Halacha, a congregation should seek a blower who is proficient in learning and in the performance of good deeds. "It should be one who knows how to appease his Creator." A married man with children is preferred, and he should be over 30, "so that his mind is composed." At that age, says Sefer Hatoda'a, the Book of Our Heritage, "Maturity sets in. A man's heart becomes humble and his spirit

broken."

If no such person can be found, then at least the prompter should be well-versed; able to distinguish between the different sounds of the shofar; capable of knowing what to do in case of error and knowledgeable enough to examine the shofar's acceptability.

If there are no candidates with these qualities, then any Jew is presumed fit, provided he is acceptable to the congregation. Both Zev and Josh more than qualify, as they are both married, with children and grandchildren, in addition to possessing considerable knowledge, sincerity and proficiency. Moreover, their congregations wouldn't give them up.

JOSH, as usual, has a story to tell about choosing a proper shofar blower.

A rabbi in Eastern Europe interviewed three candidates for the position. He asked each: "What are your thoughts when you blow the shofar?" The first man very piously announced: "I endeavour to break open the gates of Heaven so that the congregation will be immediately forgiven all their transgressions." The second man boasted: "My *tekiya* are so effective that every man, woman and child will be moved to do penitence immediately." The third candidate stood by shyly

and said nothing. After some prompting he admitted: "I'll tell you the truth, rebbe. I have four daughters to marry off, and very little money for their dowries. When I blow the shofar I pray silently, 'Dear God in Heaven, I've tried to fulfill your wish and blown the shofar properly. Please fulfil my wish and send suitable husbands for my girls.' He got the job!"

Zev, too, believes a family man is always a good intermediary. "He has a vested interest," he explains. Josh has the same simple intentions when he picks up his instrument as the man in the story. "It should go right, it should go to the right place and it should fulfil the right purpose."

He once filled in for a veteran shofar blower, an old man who couldn't continue blowing in the middle of *musaf*. Josh was in a quandary. He couldn't let the congregation down, but he didn't want to embarrass the old man. In the end, he blew what was required modestly but correctly. When the service was over, the old man came up to Josh and thanked him profusely with tears in his eyes.

"It made me feel so good," says Josh. "It shows a brotherhood of understanding among shofar blowers. The generations continue. What is important is not the individual or his skill. We're just an instrument for fulfilling His will."

An occasion for pondering divine judgment and human error

DAVID GEFFEN

ONE hundred years ago the theme of concern for one's fellow Jews as part of Rosh Hashana observance was given concrete meaning in the United States. A terrible earthquake had struck Charleston, South Carolina. Many people were homeless and the Jews of that city suffered terribly.

An appeal, issued in Hebrew and English, urged every Jew to aid the survivors in Charleston, or "Sharon," as it had been labelled in Hebrew by the rabbis who wrote the announcement. On Rosh Hashana, 1886, in synagogues across America, funds were raised for the earthquake victims and transmitted to the Charleston Relief Committee soon after the holiday.

Throughout history Rosh Hashana has been the occasion for pondering the themes of justice and mercy, of divine judgement and human error. These themes have been woven into the fabric of the day and have provided the Jew with a vibrant element of the warp and woof of his faith.

Many forms have been incorporated into the service. There are interpolations of the *Shema*, where the *kavanot* by the *kazanim* call for emotions of their own. Customarily, the home-borne stamp of the individual community and typified a personal way of capturing the spirit of the season. The sounding of the shofar called for a different level of feeling. Tashlich, waterside service, had a connotation of its own. Milestones in the holiday's history add significance to its celebration.

THE FIRST 23 Jewish refugees to land in New Amsterdam — it was 1654 — arrived only a few days before Rosh Hashana. The American Jewish experience literally began with the New Year. No descriptions survive of that Rosh Hashana, but surely the

sounding of the shofar during the services was a trumpet of freedom for these wandering souls. A little over a century later, in 1761, this same locale, now New York, was the site of a dramatic event.

Prior to 1761 a translation of the *Mahzor* in English did not exist. The Jews in England were satisfied with a Spanish-language version, as that was the tongue they used to accompany the services in Hebrew. Colonial America, however, was different. While individuals still maintained a fluency in Spanish, the native-born majority were English speakers; without doubt, an English *mahzor* was required to assist those who knew no Hebrew.

Few knowledgeable Jews lived in colonial America, and it seemed an unlikely place to provide such a translation. One individual, however, did take this responsibility upon himself. Exactly who it was remains a mystery, but the evidence appears to point to Isaac Pinto, "a learned Jew of New York."

The translation, actually of only selections from the *mahzor*, bore the title, "Evening Service of Rosh Hashana and Kippur" (sic), and appeared in the summer of 1761, printed by a New York publisher. Though not a complete rendition of the service, it provided a supplement for those who could not read or understand the Hebrew. The Rosh Hashana services in New York 225 years ago at the Shearith Israel synagogue were the first in which an English version of High Holiday prayers left its impact on the worshippers.

WHILE as significant as that milestone was, a question lingers why this 1761 translation bore no author's name. One issued five years after, containing the rest of the holiday services, bore Isaac Pinto's name. In 1761 the Jewish community of New



Hours around a bonfire in the 1940s.

York was not completely free of feelings of colonial inferiority. Perhaps it was thought a bit presumptuous for a New Yorker to upstage the resourceful and talented London Jewish community and issue the first English translation of the *Mahzor*.

However, between 1761 and 1766, the colonists displayed their resentment of the repressive Proclamation Act, Sugar Act, Stamp Act and Mutiny Act. Pinto himself signed a protest declaration. Now, by boldly placing his name on the 1766 translation, he was making it clear to London Jewry that American Jewry, as all Americans, wanted to be free to develop in their own way.

In the latter part of the 19th century, London was the site of one of the largest Rosh Hashana assemblies on record. In 1893, some 7,000 Jewish immigrants living in the East End were granted free admittance to High Holiday services conducted in the Great Assembly Hall. The *Jewish Chronicle* report noted — "The New Year services which have been held under the auspices of the United Synagogue for the Jewish poor in East London will deserve to rank as gatherings of historical importance; for never, perhaps in the history of Judaism, has so vast a throng been collected in a single building for the purpose of religious worship."

On the first day, only 5,500 were admitted and thousands were turned away. The second day 7,000 attended — every inch of space was utilized. Even a free religious service like this

had its opponents. Since the Great Assembly Hall regularly housed the mission services, some claimed that the locale was "pagan," not fit for use. A deputation went to Britain's chief rabbi to protest against holding services there. Yiddish handbills warned the "foreign poor" against attending. Someone suggested that "the agitation came from those who have been in the habit of reaping a profit at this time of the year from hiring out their rooms for small minyanim."

In spite of the controversy, the High Holiday services were held there, earning lavish praise. "Not only has the hall been attended on every occasion by overflowing congregations, but the order and the decorum, the piety and the devotion of this enormous throng of men and women, most of them hailing from the despised ghettos of Russia and Galicia, were such as to redound to the credit of the foreign immigrant, whom it is customary to describe as wanting in the elements of order and decency." Two giant placards, with the words "Yafeh shilka beshat hatefila" (Silence is appropriate during the time of prayer) adorned the sides of the hall, but "they were not necessary, for there was no disposition to gossip."

What was impressive for one observer was the solemnity of the scene: "Sublime religious fervour characterizes this seething mass of humanity...the devout swaying to and fro, the sobs of the women,

created quite a different scene on Rosh Hashana at London's West End synagogue. The *Jewish World* reported: "At the close of the *musaf* service, a number of Suffragettes created a disgraceful scene. The worshippers were startled to hear women in the gallery exclaim, 'May God forgive Herbert Samuel and Sir Rufus Isaacs for denying freedom to women; may God forgive them for consenting to the torture of women.' The words were uttered in unison as though they had been rehearsed."

At the height of the Suffragette struggle in England, all avenues were used to attract attention. Three Jewish women, Phoebe and Esther Richards and Miss Russell, made the crowded Rosh Hashana services the venue for expressing their views. As for the two noted British Jews referred to in their chant, Herbert Samuel was then serving as a member of the cabinet, and Sir Rufus was about to be selected as chief justice. Both were considered targets within the Jewish community because of their standing in the general community. Commenting on the demonstration, the *Jewish World* correspondent displayed his conservatism. "Women suffrage has much argument in its favour. It is when men look at the first fruits of the agitation and observe such blackguards in bonnets as those who interrupted the service at Dr. Hochman's place of worship that wise men hesitate to confer the franchise on women."

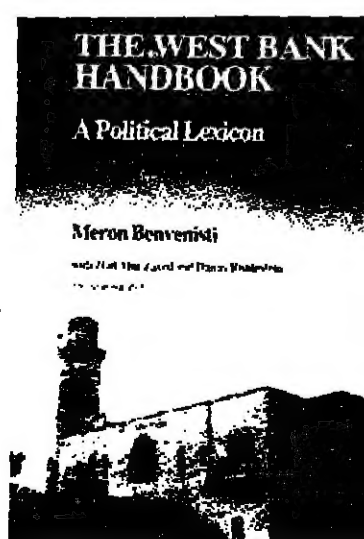
DURING the blitz in 1940, members of English communities frequently could not go to High Holiday services. One recalled what he and his wife did. "The sisters," he wrote, "with the frightful crescendoes went as though calling us to prayer. Quickly I took my talit, and my wife took her two candles and we crept into the shelter. There we sat down and decided to recite the service in full and sing all the traditional tunes at the top of our voices, intermingled with the voices of the anti-aircraft guns and the exploding bombs, alternating and overwhelming one another in this real modern music."

Then he offered some of his own personal philosophy as a Jew. "How we possessed the courage I am unable to say, though it may be stated psychologically that the Jew never loses his desire to live even in the most critical moments of his life, nor does he lose even his sense of humor with which he is endowed by nature."

Rosh Hashana, as one of the most important holidays in our calendar, has provided many venues for its observance. Nine years ago, James Pines, an American businessman, paid to have a small booklet handset and handprinted with his poem entitled, "Rosh Hashana Remembered." His opening line captured the spirit of this holiday. "We made of Rosh Hashana what we wanted." Each Jew has that opportunity as well.

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Shift seen in Socialist attitudes towards Israel

Wladimir Struminski reports on a speech by Willy Brandt.

OF THE major political camps in Israel, the socialist Labour Alignment is the best-integrated one on the international level. Israel's Shimon Peres is one of the vice-presidents of the Socialist International (SI), as was the late Golda Meir. Both the Labour Party and Mapam are members of the International.

Labour took part in the re-establishment of the SI after World War II. Nevertheless in socialist and social democratic parties in the West, harsh criticism of Israel is sometimes heard which conservatives, as well as our Labourites, consider exaggerated and not fair.

It is, therefore, important to trace the historical development of European socialist positions on Zionism and Israel. Socialist International President Willy Brandt, the chairman of the German Social Democratic Party and former chancellor, undertook this task during a recent meeting between European and Israeli socialists in Paris.

Brandt reminded the participants that the socialist-Zionist Po'alei Zion had not been admitted to the old International. After World War I, however, it helped to re-establish the Socialist International. In 1928, at the initiative of Ben-Gurion, an international committee was established on labour in Palestine which included some leading European social democrats like Leon Blum and Eduard Bernstein. These two, Brandt said, "admitted the idealistic

drive and the creative vitality of the Zionist movement, especially its socialist part."

Still, the SI president pointed out, Zionism was by no means undisputed within the international socialist movement. There were many arguments on the Zionist issue especially among Jewish intellectuals.

Brandt recalled his personal experience, too, saying that in the 1930s, as a young socialist of non-Jewish descent, he had been sceptical vis-à-vis Zionist ideas. "I shared the fears of those who saw the homecoming to a Jewish nation as a retreat from a problem that might be mastered more sensibly through a process of social and cultural integration and through society's ability to tolerate minorities."

Also within the International Group of Democratic Socialists, with which Brandt maintained links during his Stockholm exile during the Nazi era, "at first it was pretty difficult to agree on something—as our young (Zionist) friends were expecting—that would sufficiently and clearly support the idea of a 'national home' and its beginning implementation."

"One can pretty well establish the date at which this discussion reached a turning point. It is evident from the first reports from the Polish underground which the Polish Socialist Party representative brought to our attention and which dealt with mass murder, first in specially equipped gas trucks of the SS, later in exter-

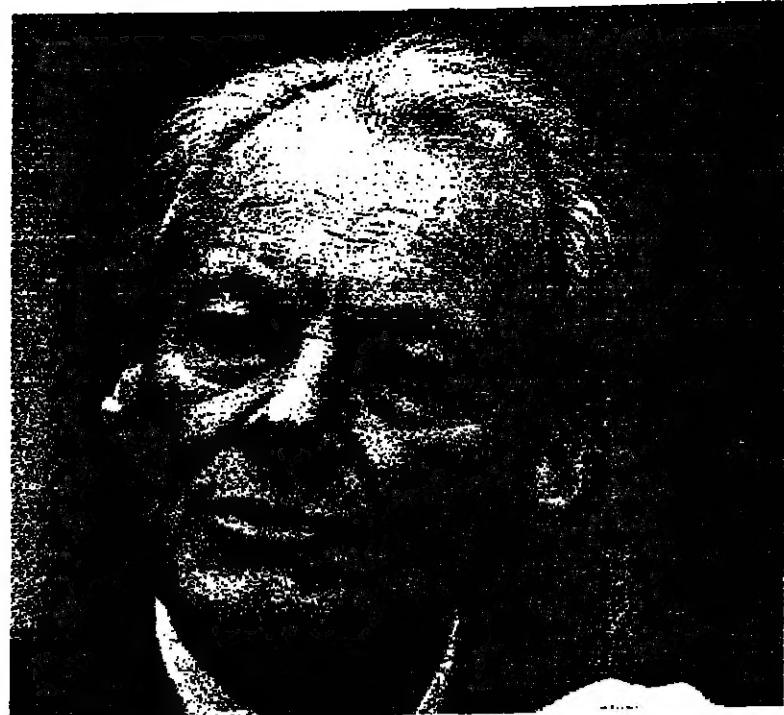
mination camps. In 1943, our texts said "that no effort must be spared to save lives, to take into account the situation of the Jews at their return and during reconstruction—and to assure the further development of the Jewish national home, Palestine."

Brandt drew this conclusion for himself, too: "In view of the Holocaust which was not yet known by that name it could not be... that the existence of the settlers in Palestine, and of Palestine as a refuge, would also be questioned."

THAT international group obviously was aware, however, even then of the Jewish-Arab tension in Palestine. Brandt said: "The admirable achievements of the Palestine Labour Movement were welcomed and it was hoped that together with other progressive forces, they would do everything to bring about a communality of interests with the Arabs."

The establishment of the State of Israel was unanimously welcomed by social democrats. As Brandt said: "Among the socialist and social democratic parties there had not been a single one which did not express its best wishes on the founding of Israel as a state in 1948."

However, the expressions of friendship and sympathy for Israel in the late 1940s reflected, to some degree, feelings of shame and of guilt among members of a generation which had been incapable of



preventing what happened to the Jews. In addition, according to Brandt "certainly, for the position taken by our International vis-à-vis the new state, it was of no minor importance that its leadership was social-democratic."

One is justified in gathering from Brandt's words that those emotions, or lack of them, caused changes in the socialists' attitude to Israel in later years. For, as Brandt himself pointed out, the emotional experience of the war generation could not simply be passed on to the following generation.

Israel's political life also underwent major changes since the country's establishment. Brandt expressed the view that in later years there have been "conservative-to-reactionary" trends in Israel. These trends, the SI head said, led to

disappointment among social democrats in other countries; "in this context, some doubts must also be raised as to whether in its policy during recent years, Israel seriously enough pursued possible breakthroughs towards a regional order of peace, or if it may not have counted too much on playing for time."

Brandt thinks that the social democratic thesis of estrangement from Israel is unjustified or, at least, "a great exaggeration."

As for Israeli fears of a social democratic estrangement, Brandt remarked: "In my lifetime I have been through too many disappointments to take such questions lightly."

He is also aware "that what sounds as a concerned question here, in Israel was easily misunderstood and perhaps still is being mistaken for unfair criticism."

British book argues 'sex is overrated'

NICHOLAS DOUGHTY / London

LONDON (Reuter). — Sex, once defined by American film-maker Woody Allen as "the most fun you can have without laughing" is actually irksome, overrated and can damage your mental and physical health, according to a new book *Sex Is Not Compulsory*.

The author, 41-year-old freelance health writer Liz Hodgkinson, says she and her medical journalist husband Neville have been celibate for five years.

They claim that, after 21 years of marriage and two sons, their relationship is better and more productive and their lives fuller without sex.

Extracts from the book, published in the British press, have provoked great controversy.

"Take my advice, Neville," wrote a reader to one tabloid newspaper. "Get in a 'dolly bird' au pair."

But Hodgkinson insisted that she is trying to fight "the drug" sex, which is foisted on society by advertising and social expectation, making orgasm the centre of any meaningful existence—with everyone seeking their next "fix."

"I'm trying to prick the bubble... this myth that we need sex, or else there's something wrong with us. The reality is that a lot of people don't enjoy it much," she says.

Some would argue that sex has been given too much importance in western society since the invention of the pill in the 1960s and the "Sexual Revolution."

But the book also tells us that sex can be harmful.

"I see falling in love as a disease. It's indistinguishable from a stress-related condition," says Hodgkinson.

"The constant swings in pulse, adrenaline flow and mood which accompany an active sex life can wear out the body's immune system, making it more prone to illness. It also burns energy which could be applied more usefully in creative or other work."

In medical surveys, nuns and monks have been shown to be healthier than the non-celibate population, as they suffer from less high blood pressure. Cervical cancer—which doctors have linked to the frequency of sexual activity—is almost unknown in nuns.

Hodgkinson also points to recent medical evidence that a great deal of zinc is lost on ejaculation.

"Zinc deficiency can affect brain functions and make the victim ultra-sensitive to light. Thus, she says, the old Victorian adage that masturbation could make you go blind and addle your brain may contain some seeds of truth."

Sex can also ruin your mental health, she claims.

"We were always taught that sex was essential to a happy marriage... rather than loving and giving, sex can be a source of contention, bitterness, anger and jealousy. It almost guarantees that couples will, in time, come to hate each other."

THE GOLDEN spire of a tranquil Buddhist shrine caps a mist-shrouded mountain, surrounded by coils of barbed wire, concrete bunkers and batteries of mortars.

Fierce Wa tribesmen lay down their guns in a respite from their opium war to worship the full moon.

Not far away, one of their enemies, an officer of warlord Khun Sa, begs visitors to believe his commander "has nothing to do with drugs."

Beauty and violence live side-by-side in the lush mountains and valleys of The Golden Triangle where Khun Sa and his rebel armies roam one of the world's main drug-producing centres.

International narcotics officials say about 1,000 tons of opium is produced each year in this lawless corner of Southeast Asia where the roof of Thailand runs north into eastern Burma and western Laos.

They do not know how much of it is refined into heroin for sale in Asia, Europe, Australia and the United States, but one source estimated it to be "hundreds of millions of dollars worth."

Since 1940, drug profits have dictated the strange politics and economics of numerous ethnic and political rebel groups living in The Golden Triangle beyond the authority of Rangoon, Bangkok and Vientiane.

The different groups have been fighting each other in shifting alliances since the 1960s to determine who controls how much of the drug and black market smuggling networks which stretch north from the Thai border deep into the triangle.

THAI authorities say the latest war was launched this month by one of the most improbable alliances to date.

Burma Communist Party (BCP) guerrillas teamed up with the stocky Wa tribesmen and Chinese soldiers of Chiang Kai-Shek's Nationalist Army, stranded here after Mao Tse Tung's Communists defeated them in 1949, they said.

The new alliance is challenging Shan rebels who control most of the

Golden Triangle of drug smuggling

JOSEPH RIENZO/Thai-Burmese Border



Buddha in Burma coated with gold leaf by the faithful. (UPI)

600 to 800 tons of opium Western narcotics officials estimate is obtained from poppies in Burma alone each year.

The U.S. Drug Enforcement Agency says that Shan warlord Khun

Sa is the top heroin trafficker in the triangle.

So far, Thai border patrol police say the alliance of a few hundred Wa fighters and more than 1,500 BCP rebels appears too weak to depose

the Shan leader.

But the challengers have brought the opium war to within easy mortar range of the idyllic village of Muang Teung, home to about 400 of the Shans, a minority group related to the Thais.

Muang Teung has closed its school and sent the pupils, who study in Shan, English, Thai and Chinese, to safer areas inside Burma or across to Thailand.

A teak temple on stilts in the middle of a rain-swollen, rust-red pond is deserted and few women are about, as soldiers carrying U.S. and Soviet-made weapons patrol the town at midday.

High on a nearby peak stands the golden shrine amid barbed wire, trenches, a massive log guard post and an incomplete steel-reinforced concrete bunker.

Not even a monsoon downpour interrupts labourers hurrying to finish it before the expected attack comes.

Shan State Army (SSA) officer Sai Lat — "My name means sunshine" — is sure his soldiers will not yield an inch of territory.

He said there had been only one full day of fighting last month, when five SSA fighters were killed. Both sides have about the same number of troops. Only occasional gunfire was heard at the border last week.

THAI BORDER patrol police Colonel Viji Vechasat said Wa tribesmen and the BCP are expected to attack Khun Sa strongholds nearby, but he could not predict when.

This section of the border above Thailand's Chaing Mai Province is not marked and appeared to have little meaning.

Armed Wa fighters are roving up to eight kilometres inside Thailand and have been shooting at SSA positions from Thai hilltops, Thai officials confirmed.

Witnesses said Wa bases in Thailand had signs reading "Wa National Army" and their villages appeared to have been set back for at least several months.

A Thai police spokesman said Wa infiltration into the rugged, deserted Thai hills near the border began early this year and would be difficult to stop without a major military operation.

He said his government was taking no sides. Some wounded BCP troops had been treated in a Thai hospital and some Shan school children had been allowed into Thailand on humanitarian grounds.

Wa soldiers told reporters who visited their camps that they did not traffic in drugs nor were they allied with the BCP.

Sai Lat's main concern appeared to be to deny what he said were false reports that Khun Sa was still in the heroin business. "The SSA stopped all involvement in heroin as of 1982," he said, adding that the movement was doing the world a favour by intercepting BCP opium caravans trying to reach Thailand.

He said SSA income came from taxing jade, gems, wood and other Burmese goods being smuggled to Thailand and from foreign products such as radios, motorcycles and consumer items taken from the Thai border to Burma's black market.

But Western narcotics suppression agents said Khun Sa and the SSA were the principle refiners of Golden Triangle opium into heroin to be sent to Western markets from Thailand.

One agent, who declined to be identified, said that no matter how the current opium conflict ended, "it will have impact at all on the movement of drugs or smuggled commercial products."

"It's nothing new, it has been going on 20 years," he said.

"If Khun Sa should lose some base areas his fighters would just relocate (elsewhere in eastern Burma)."

He said the BCP was one of the main movers of opium in Burma even before China cut off aid to it in 1979, and that it would continue to be. The Wa were also involved, he added.

Legacy of World War II romances

'Forgotten families' register their pain

STEVE SMITH / London

THE HOMEcoming this week of more than 300 GI brides to a civic welcome in Southampton, England has stirred painful memories for the "forgotten families" of the war—the women who were loved and left by American servicemen, and the children who never knew their fathers.

Mrs. Shirley McGlade, the daughter of a GI whom she has never met, told her 65-year-old mother that they would not be welcome at the four-day reunion for the brides and their husbands.

"But how can I tell her that we've got to be swept under the carpet? I'm sure those couples would prefer to ignore us," she said.

Mrs. MacGlade, of Woodgate, Birmingham, is the organizer of War Babies, a contact group for about 200 illegitimate children of American troops. She claims there are thousands of them in Britain, many ashamed of their background.

"We have been treated as lepers. It's a hell of a struggle to get anything out of the American authorities about these servicemen. I'm pleased for the GI brides, but seeing the attention they get is very distressing for a lot of us."

"I've had about 25 calls this week from GI children, mostly from people in tears. It's impossible to understand how strong an urge it is for us to find our fathers. I used to force my mother to watch wartime newsreels just in case she spotted dad."

McGlade's mother met GI Jack Crowley at a dance in Birmingham.

They went out for three months before he was posted to France. Neither realized that she was pregnant.

McGlade's struggle for recognition began even before she was born. She later endured taunts from neighbours, and was not accepted as a daughter by the man her mother married.

She first became curious about her natural father in her teens. She was told he was killed on D-Day, but realized she had been born a year later.

McGlade finally traced him to California earlier this year, with help from one of his former high school classmates. Father and daughter call each other regularly, and have exchanged dozens of photographs including pictures of McGlade's half-brothers.

"I've found my dad and I know that he's a respectable citizen, but I feel sorry for all those people who are still being ignored completely."

Robbin Stratton, 41, who is still looking for his father after 23 years of searching, said he was contacted by other "war babies" last week who felt sorry about the GI brides visit.

Their calls were relayed to him by tourist officials in Southampton. He is a founder of another contact group, Trace, which hopes that coverage of the reunion in the American media will help its members to find their fathers.

(Observer News Service)

TODAY'S SCHEDULE

TELEVISION

EDUCATIONAL:

8.00 Radio News 8.05 Keep Fit 8.15 Educational Broadcasts 14.00 Radio News 14.05 Keep Fit 14.15 The Founding of 11 Neger Settlements in 1946 15.00 Tau Tau 15.25 Rahov Sumsum 16.00 This is it — live magazine 16.45 The End of Artists' Village 17.00 A New Evening — live magazine

CHILDREN'S PROGRAMMES:

17.30 Micron — science fiction 18.00 Two Brothers 18.05 It's Your Move ARABIC-LANGUAGE programmes: 18.30 News roundup 19.00 Meeting — current affairs 19.30 News

HEBREW PROGRAMMES resume at

20.00 with a new roundup 20.02 Mabot Sport 20.45 Programme Trailer 21.00 Mabot Newsreel 21.30 The President's New Year Message 21.35 In Search of Mangle — documentary 22.20 Space. Part 9 of a 13-part drama series about the U.S. space research program. Starring James Garner, Bruce Dern and Michael York 23.15 Gallery — art magazine 23.25 The Chief Rabbi's New Year Message 24.00 News

JORDANIAN TV (unofficial):

16.30 Cartoons 17.00 French Hour 18.30 News in Hebrew 19.00 News in Arabic 19.30 Amanda's 20.10 55 Line Street 21.00 News in English 21.20 Feature film MIDDLE EAST TV (From T.A. north): 12.30 Another Life 13.00 Club 13.30 Shape-Up 14.00 Afternoon Movie: Journey into Fear 15.30 Healthcity 16.00 Fly House 16.30 Muppets 17.00 The Jeffersons 17.30 Doc — Pilot 18.00 News 19.00 Hardcastle & McCormack 20.00 Facts of Life 20.30 Newhart 21.00 Moonlighting 22.00 700 Club

RADIO

Voice of Music

7.07 J. Strauss II: "Carnaval in Rome" (Viola) J. Strauss: Arab: Theme and Variations on the Carnival of Venice. (Maurice Andre): Stravinsky: "Carnival in Prague." Symphonic Poem

First Programme

7.30 Favourite Old Songs 8.30 Concerto — with Benny Hendl 9.05 Hebrew songs 9.30 Encounter — live family magazine 10.30 Programme in Easy Hebrew 11.10 School Broadcasts 11.30 Education for all 12.05 Oriental songs 13.00 News in English 13.30 News in French 14.06 Children's programmes 15.30 Speaker's Podium 15.53 Notes on a New Book 16.05 Middle East Crossroads 17.20 Everyman's University 18.05 Jewish Traditions 18.05 Bible Reading 19.35 Lesson in Tania 19.35 Programmes for Olim 22.05 Every Man has a Star

Second Programme

6.30 Editorial Review 6.52 Green Light — drivers' corner 7.05 This Morning — news magazine 9.05 Morning Break 9.05 House Call — with Rivka Michaeli 10.05 All Shades of the Network 12.10 O.K. on Two 13.00 Midday — news commentary, music 14.06 Humour 15.05 Magic Moments 16.05 Songs and Homebrew 17.10 Economics Magazine 18.05 Hebrew songs 18.45 Today in Sport 19.05 Today — radio newsreel 19.30 Hebrew songs 20.05 The Rishon Lezion's New Year Greeting 21.15 Roots — folklore magazine 22.05 Yiddish songs

Army

7.07 "707" — with Alex Ansky 8.05 Good Morning Israel 9.05 In the Morning — with Eli Yisraeli 11.05 Coffee Break 11.05 Right Now — with Dan Shilon 13.05 Daily Hit Parade 15.05 Daily Meeting — with Orly Yaniv 16.05 Four in the Afternoon 17.00 Evening Newsreel 18.05 Economics Hour 19.05 Music 20.05 Music — classical rock 21.00 Mabot — TV newsreel 21.30 Hebrew songs 22.05 Popular songs 23.05 Night, Night — with Yoav Kutner

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WHAT'S ON

Notices in this feature are charged at NIS 7.60 per line including VAT. Insertion every day of the month costs NIS 151.80 per line, including VAT, per month.

JERUSALEM

Museums **ISRAELI MUSEUM.** Exhibitions: Kotel Hinnom — treasure of Jerusalem's walls. "A Man and his Land." Moshe Dayan collection. "Minus One Dimension — 20th Century Sculptors' Drawings." Moshe Gerstl, largest presentation of his paintings: 1980-1986. Jenny Holzer/Barbara Kruger — 2 American Artists exploring the use of words. "Art in Context, audio-visual programme. "News in Antiquities. "Big and Small, relative sizes in life, art and children's world. "Jewels of Children's Literature. "Permanent exhibitions of Archaeology, Judaism and Ethnic Art. "Bethlehem Embroidery, regional style dresses and costume parts. VISITING HOURS: Main Museum 10-5. At 11: Guided tour of Museum in English. 11: Guided tour of Archaeological Museum in English. 3: Guided tour of Judaism and Heritage galleries.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun-Thurs. 10-11. 3:30-5. Fri. closed. Sat. and holiday even. 10-12. 2 Hapelmach St., Tel. 02-6812912. Bus No. 15.

Exhibitions **JERUSALEM MAP HOUSE.** Old City. 7 Beit El St., 288336, 423547. Roberts, Turner, etc.

Conducted Tours **HADASSAH** — Hourly tours of the Chagall Windows at Knyat Hadassah on the hotel hour. * Information, reservations: 02-416333. 02-446271.

HEBREW UNIVERSITY 1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16. 2. Mount Scopus tours 11 a.m. from the Brofman Reception Centre, Sherman Building. Buses 9, 28, 4a, 28 and 23 to the first underground stop. Further details: Tel. 02-582919.

AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — 8 Alkalai Street, Jerusalem, Tel. 02-699222.

Information Centres

UJA INFORMATION CENTRE. 1 Ibn Gabirol St., Rehavia, Jerusalem. Features TV news programmes from the U.S., continual A.P. News telecast, videotapes on UJA (United Jewish Appeal) sponsored programmes in Israel. Open Sunday-Thursdays, 3:00-7:00 p.m. For more information call 02-246465, 02-240795.

TEL AVIV

Museums **TEL AVIV MUSEUM.** Exhibitions: Israeli Summer, new and enlarged Israeli Art Collection Selection. "Edvard Munch, prints: Death, Love and Anxiety." "Print into Print, works by six Israeli artists." "Frank Stella — Hot Gases. Series of prints after El Lissitzky." The Museum's collection of Classical, Impressionist, Post-Impressionist and contemporary art. Visiting Hours: Sun-Thurs. 10-2, 5-8. Sat. 11-2, 7-10. Fri. closed. Helena Rubinstein Pavilion: Exhibitions: Yair Garbutz, "A Jew, A Frenchman and an Arab," 10 works, 1984-86. Visiting Hours: Sun-Thurs. 10-11. 5-7. Sat. 11-2. Fri. closed.

Conducted Tours **AMIT WOMEN (formerly American Mizrahi Women).** Free Morning Tours — Tel Aviv, Tel. 220187, 230154.

WIZO. To visit our projects call Tel Aviv, 232938; Jerusalem, 226080; Haifa, 88817. ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 386171, 232321, 240529; Netanya 33744.

PIONEER WOMEN — RA'AMAT. Morning tours. Tel Aviv, 210791. Jerusalem 248578.

HADASSAH VISITORS DEPT. Astor Hotel, Room 01, 108 Hayarkon St., Tel. 02-223141.

HAIFA **Museums** **HAIFA MUSEUM.** 26 Shabbat Levy St. Tel. 04-523255. Exhibitions: Modern Art — David Alkara — Recent Paintings. Doron bar-Adon — Paintings 85/86. Ancient Art — Jewish coins of the Second Temple Period. Egyptian textiles, terracotta figurines. Open: Sun-Thurs. & Sat. 10-11. Tue, Thurs. & Sat. also 6-9. Ticket also admits to National Maritime, Prehistoric and Japanese Museums.

WHAT'S ON IN HAIFA. dial 04-540840.

CINEMA

JERUSALEM For all Sunday showings see magazine cinema pages.

Edgar: Hand of Steel 4:30, 7:30, 9:30; **Edison: Top Gun** 4:30, 7:30, 9:30; **Heinrich: Ricochets** 4:30, 7:15, 9:15; **Kfir: A Room with a View** 4:30, 7:30, 9:30; **Mitchell: On the Beach** 4:30, 7:30, 9:30; **Orion Or 3: Agnes of God** 4:30, 7:30, 9:30; **Orion Zapped** 4:30, 7:30, 9:30; **Sky Pirates** 4:30, 7:30, 9:30; **Sennedat: The Bortomians** 8:45, 9:15; **Blaywell: Hercules**

Will Israel catch the 'Dutch disease'?

Inflation has been tackled, but not its causes

Any suggestion that the Israeli economy is poised for take off into a smooth flight to somewhere over the rainbow, is wide off the mark. What the previous articles in this series sought to depict was why the internal and external circumstances are more favourably disposed toward allowing the economy to break out of its rut than they have been anytime in the past 10 years. There remain, however, plenty of threats, some immediate and others of a longer-term nature.

The first set of problems facing the economy concern the viability of the achievements recorded over the past 15 months. Inflation is much lower than it was, but is only down, and not yet knocked out. It has stabilized at the level of some 15 per cent a year. When compared with the 1984-85 rate of 15 per cent a month that is indeed a tremendous advance; when compared with the average rates in Western economies, it is at least five times as high as it should be. The freeze on the shekel exchange rate is also solid for the short-term, but no one can seriously believe that local prices can continue increasing at 15 per cent a year in an economy as open as Israel's - forcing up manufacturers' costs - without the distortions sooner or later showing up in the balance of payments and bringing pressures for a devaluation.

There are two ways to break the link between domestic prices and international prices, measured by inflation and devaluation respectively. One is to insulate the balance of payments from the pressure of domestic costs - such as by having a cushion to protect the balance of payments from the balance of trade. What this means is that although imports will rise and exports fall because the shekel becomes worth more against other currencies, there will be no crisis or shortage of foreign currency because the shortfall is being made good from somewhere else.

In Israel's case, "somewhere else" means Washington, and at least in theory, U.S. aid could enable us to maintain stability even if exports withered and imports soared. In other countries, this same phenomenon has been achieved through oil or natural gas finds that provide foreign exchange for the economy and keep the local currency overpriced in terms of world trade. This is known as the "Dutch disease," after the Netherlands became afflicted with it after discovering huge gas deposits in the North Sea in the 1960s. Britain went through the same illness in the late 1970s because of North Sea oil; the pound sterling became a "petro-currency."

Israel could suffer the same fate - in effect contracting Aids from an



Shimon Peres and Yitzhak Moda'i: This team overcame personal and party rivalries - for a time - to piece together the economic stabilization programme.



(Isaac Harari, Israel Sun)



Yitzhak Shamir and Moshe Nissim: The incoming team will have the same obstacles as their predecessors, if not more serious ones, in attacking the root causes of inflation.



(Sven Nackstrand, Uzi Keren)

unceasing flow of U.S. assistance, that hinders its ability to fight economic problems. In practice, however, this hardly seems to be the case. The Americans have shown great willingness to assist, but are becoming firmer and firmer in demanding that their assistance be used to correct structural faults, not create new ones or deepen existing ones.

The other method of breaking the link between local and international prices is to lower manufacturing costs even if the economy is still experiencing inflationary pressures. This can be done by lowering interest rates or by cutting taxes on employment, income, social benefits, or corporate earnings. Even in the short term, when inflation might continue, there would be no need for exporters to be priced out of foreign markets, since they could hold their foreign prices steady.

The reality today, however, is that no significant programme for reducing costs is being implemented. Ex-

porters are struggling to adjust to the much harder life they have been saddled with following the elimination of subsidies and constant devaluations, and importers are swamped with demand. The only reason that the balance of trade has not worsened dramatically is because of the oil-price drop, and the only reason the balance of payments is holding up is because of the same factor plus the last payments of emergency U.S. aid.

What will happen in 1987? Emergency aid will stop. Oil prices, let us hope, will remain in the \$15-a-barrel area, since to ask for less than that is probably unreasonable. The dollar is unlikely to fall as much in the future as it has in the last 18 months, and may stabilize or even recover. In short, our run of luck at the gambling tables of the international markets will not go on for ever. At that point we will be left to our own devices, and the policies we adopt will determine whether we

make further progress or give up that made so far.

The other side of tax cuts, as has been noted, is reduced government spending. The greatest single failure of the economic stabilization programme of July 1985 - and one that it did not significantly cut government spending. It did cut the government budget deficit, even reversing it into a small surplus, but this was done through more and heavier taxes. Only a very small extent did spending cuts contribute to this development.

The reason for this failure is, of course, political. It is immensely difficult to get ministers and ministries to agree to spending reductions. It is even more difficult to implement these cuts. This is hardly news, least of all in Israel. But, news or not, it remains a fact that unless budgets are cut, there will be an imbalance in the economy.

The government will purchase goods and services, because its budget allows it to, while the public will purchase goods and services because its wages allow it to and because it would rather spend than save. This demand will be directed abroad because local productive capacity is low and investment in new plant and equipment, and probably even in labour, is negative. In other words, demand will be strong and supply will be weak. In a closed economy, this leads directly to inflation. In an open one, it leads to a trade imbalance. Even if this imbalance is closed by someone's rich uncle writing cheques, the decline of Israeli industrial competitiveness will continue.

The two sides of the budget - the swollen revenues from over-taxation, and the bloated expenditure caused by government involvement - both lead to the same bottom line, namely that in the best case the economy will continue to wallow in the swamp of stagnation, and in the worst case inflationary and devaluatory pressures will break out again.

The most interesting thing about this analysis is that it holds true despite the fact that the budget is in balance, and possibly even in surplus. It has become clear that it is not merely the existence of a deficit that serves as a threat to stability and an impediment to growth, but the absolute size of the budget can act the same way, even if there is no deficit. It is commonly accepted that cutting ministerial budgets requires a

tough finance minister backed by a firm prime minister and with plenty of public support. Even if the Yitzhak Shamir-Moshe Nissim team prove to meet these criteria, the general problem of the government's stability remains a cloud hanging over the economy. The various crises of the last two years, especially those involving ex-finance minister Yitzhak Moda'i, did nothing to encourage people to feel good about the future. Uncertainty, fear and inconsistent policies are factors that reduce investment, encourage spending rather than saving, and make the maintenance of a policy of stabilization more difficult than it would be anyway. In that respect, the progress since July 1985 is the more remarkable, given the frequent inter-party spats.

That the markets learned how to read the party maps better than many political pundits, would seem to be proven by their respective records. In the future, too, it is probable that the black market for foreign currency and the rates of interest on short-term deposits, about the only two free markets in the country, will be the best seismographs for measuring the severity of political earthquakes. The national unity government has functioned well on the economic front since June 1985, although it certainly did not do so in its first months of existence, when Shimon Peres and Moda'i pulled in different directions.

However, the threat of a return to paralysis, on the basis of personal, intra-party or inter-party squabbles, will remain very real.

Overall, then, there are two distinct areas for concern. One is that the stability of the last year will break down, and inflation and devaluation will return. The other is that it will not break down and that there will be no more inflation than there is now - but that there will be no growth. As a result, there will be no growth. The first threat is more easily understandable, because the effects of instability will be felt immediately, and the memories of hyperinflation are too fresh to need much jogging. But the second threat is the more dangerous by far.

The no-growth trap is, in fact, not so much a future threat as a present reality. Investment has now all but dried up, but even when there was relatively quite a lot, the distortions caused by tax breaks and subsidies channelled much of it to the wrong places. Even something as genuinely promising as the high-technology export sector was pushed up the dead-end path of "government support" and thus set up for a blow, which nearly killed whole industries when it struck. In general, so long as there was inflation, it was possible to hide some things, pretend about others and indulge in financial hanky-panky and call it business. Now that the facade has been stripped away, it is difficult to avoid the bald truth: the Israeli economy has been rotting away for years, is continuing to do so even now, and will continue its shrivelling up into the future unless very basic changes are made in the way it operates.

Due to a typographical error, the word "not" was left out of a critical sentence in Tuesday's "What the future holds" series. It should have read:

"We would argue that since the Israeli leadership does not call the shots in determining the direction of the Israeli economy, the process of economic decision-making is becoming increasingly divorced from the normal party political process."

WORLD NEWS IN BRIEF

Mexico, banks agree on \$6b. loan package

WASHINGTON (Reuters). - Mexico and its creditor banks late Tuesday night agreed on a \$6 billion loan package, setting the stage for a \$12b. rescue of the debt-plagued Latin American nation.

The agreement was announced by Citibank, leader of the bank advisory group that negotiated the huge loan with Mexican officials in marathon talks here. The two sides met throughout the day Tuesday after "stopping the clock" when they missed a deadline for agreement at midnight Monday night.

Other Latin American debtor nations had been watching the negotia-

THE TAX BURDEN/Jeff Broide

Don't play games in valuing transactions

It is rare that Section 86 of the Income Tax Ordinance - a section of considerable import to tax planners - comes before the courts. The Vienna case, in the Supreme Court, therefore attracted much attention.

Section 86 states: "Where the assessing officer is of the opinion that any act (or transaction), which reduces, or may reduce, the amount of tax payable by any person, is artificial or fictitious, or that one of the main purposes of the act is to avoid or reduce the amount of tax, he may ignore the transaction, transfer, and the person concerned may be taxed accordingly. Tax avoidance or reduction may be deemed to be improper even where not contrary to the law."

In essence, the Law entitles the tax authorities to disallow artificial or fictitious acts which, reduce, or may reduce, the tax payable, transfers not actually effected and transactions where one of the main aims is improper avoidance or reduction of tax.

The plaintiff, a building contractor, had registered an apartment built by him to his son, after placing an excessively low value on the apartment for purpose of the transfer. Some time later (less than a year) the apartment was sold by the father (and not the son) under an irrevocable power of attorney given him by the son, who had never seen the buyers nor, apparently, the apartment.

In addition, the price on sale was considerably greater than the value the contractor had placed on the apartment when making the "gift" to his son. In addition, all the proceeds were, in fact, received by the father.

The Supreme Court upheld the

tax officer's contention that the transaction was fictitious and that the sale was an integral part of his regular business, (namely building). It is of interest to note that the court held that:

"A fictitious act is one for mere 'public consumption' intended to conceal the real relationship between the parties."

"Where a transaction is between two family members, there is a need to ensure that the asset does belong to that party who does not earn the income from the sale."

"The son was never really involved in their entire deal, not in the conclusion of the apartment nor in the sale thereof and, finally, neither in the receipt of the proceeds."

"The judge has surely added some food for thought for tax planners and Section 86 might prove walkways."

On the receipt of cash (and not a cheque), by manufacturers, wholesalers or agriculturalists, the law stipulates that the receipt must include the name, address and identity number of the payer. In fact, the payer must present his identity card to the recipient. Where a permanent list of customers is kept, then the taxpayer may omit the recording of the identity number.

This regulation does not include retail sales of less than NIS 300 by manufacturers or wholesalers. It should be noted that where payment is effected by cheque signed by the payer and payable to the recipient, then this regulation does not apply.

The fine for not complying with this rule is 5 per cent of the amount of the particular sale.

The writer is a certified public accountant (Israel). Questions may be addressed to him at The Jerusalem Post.

Potential news producer

Capital Studios readies for second TV channel

By GREER FAY CASHMAN

Jerusalem Post Reporter

Prime Minister Peres will only need a few minutes to get from his Jerusalem office to a speaking engagement planned for today before a group of British Jews at Friends Hall, on Euston Road, in London.

Via satellite teleconferencing, the prime minister will be able to address the group live and they will be able to ask questions, all courtesy of Jerusalem Capital Studios Ltd. The televised conference is just one of an array of video and communications services offered by the seven-year-old production company based in Jerusalem's Binyanei Hauma.

British industrialist Sir Leon Tamman has invested more than \$5 million to date in the studio and is planning to spend a great deal more in the next year or two, according to Capital's general manager Shmuel J. Shilo.

Capital wants to move out of its cramped Binyanei Hauma headquarters, where along with its Tel Aviv facility, the company provides space, equipment, facilities and services to some 20 foreign news networks. It also produces programmes on its own for sale abroad and has participated in several international co-productions.

Annual income, says Shilo, amounts to \$2.5m., of which 90 per cent is in foreign currency. He will not say whether Capital makes money for its owners, which also number Britain's IGTV.

Shilo is casting around in Jerusalem's Romema area for an appropriate space that can be bought

or leased or for a site on which new premises can be constructed according to IGTV specifications. All the sophisticated studio systems at IGTV were designed, constructed and supplied by IGTV.

This flurry of activity is in part being conducted with an eye to the establishment of an independent television authority, on which the cabinet has given its stamp of approval. Shilo sees Capital as one of the chief contenders for the news franchise, pointing out that it already provides camera and sound crews for close to 75 per cent of the foreign networks represented in Israel, is the exclusive representative here for the EBU and receives a daily cassette for WTN (Worldwide News Television) from which it prepares material for daily newscasts on behalf of a client broadcasting to an Arab country.

Once a second television channel gets off the ground, Shilo foresees a far greater workload for Capital whose experience also includes the production of documentaries and features. Shilo figures that if Capital begins constructing new premises now, they should be completed about the time the second channel begins transmission.

One reason Shilo is so keen on Romema is that the industrial district has established itself as a communications centre of sorts. It is already home to The Jerusalem Post, Israel Television and Kastel Communications Ltd. Sometime next year, it will also become the headquarters for Israel Radio's news division.

er, had sought - and received - help from its major trading partners to "head off" September's agreement by the U.S., Britain, France, West Germany and Japan to intervene in exchange markets to drive down the value of the dollar.

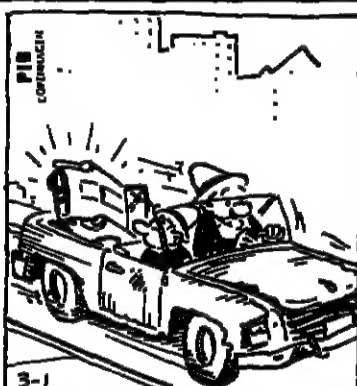
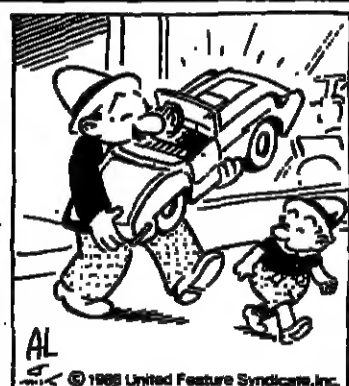
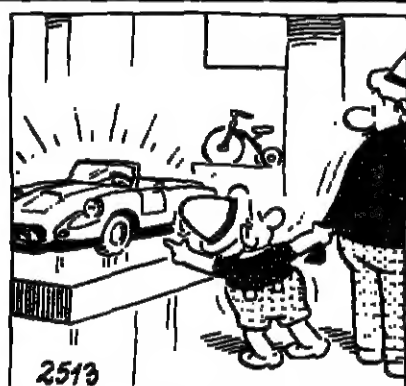
IRAN'S OIL MINISTER, Gholamreza Akbarzadeh, yesterday disclosed that he presented the Kuwaiti leadership with fresh proposals on means of propping up oil prices and reconsidering individual production quotas at the upcoming Opec ministerial conference.

The ministers of the Organization of Petroleum Exporting Countries are meeting in Geneva next week to consider a "medium-term" strategy for stabilizing oil prices. At their last meeting, early August in Geneva, they adopted an Iranian proposal for providing "cashbacks" in September and October, which has since reversed the downward slide in oil prices.

TURKEY MUST TACKLE inflation, still running at more than 30 per cent a year, to consolidate its economic recovery, the Organization for Economic Cooperation and Development (OECD) said Tuesday. For two years strong economic growth had gone hand-in-hand with an improvement in the balance of payments, helped by rising exports, it said in a report on government economic policies.

Economic growth is forecast by the government at 6.5 per cent this year, up from 5.1 per cent in 1985 and more than double the average for the 24 industrial-nation OECD. But high unemployment, rising debt and the reluctance of foreign banks and investors to put money into Turkey were problems that were unlikely to be solved until price rises were brought under control.

FERRAZZO



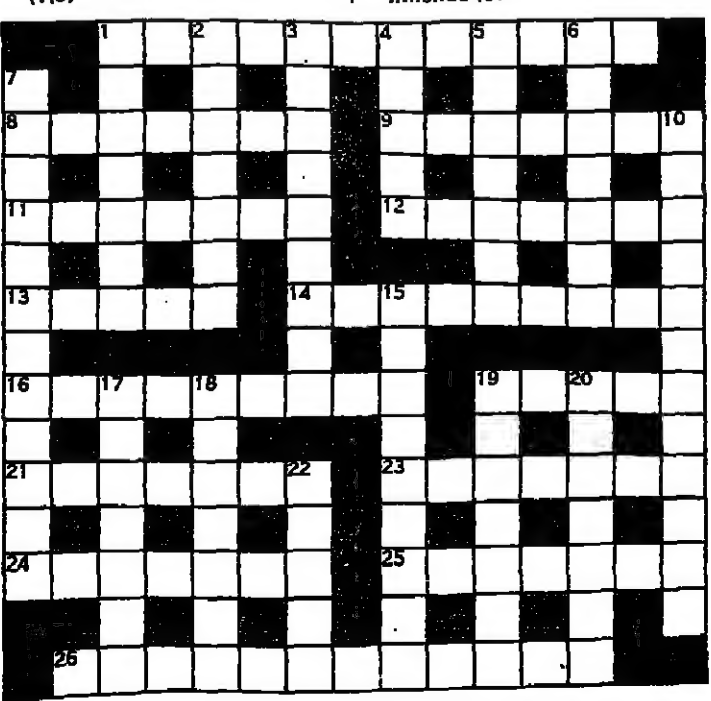
ONE-ON-ONE CROSSWORD

ACROSS

- 1 Consideration of French freedom movement (12)
- 2 Opening up part of the door if I celebrate (7)
- 9 Underwear department turnover failed to achieve its quota (7)
- 11 On returning I take a few to be offensive (7)
- 12 A neat example of the third R in generous remuneration (4,5)
- 13 No time for day dreaming (5)
- 14 I'd swallow Peruvian fertiliser to take on a dinosaur (9)
- 16 Saw, and gave evidence (9)
- 19 The Isle for a jocular person (5)
- 21 Russian currency added to the last letter of credit creates difficulty (7)
- 23 Cigar which suits a monarch (7)
- 24 Press release of a charitable contribution (4,5)
- 25 Iridescent ring has Alpine origin (7)
- 26 Spinning yarns out of school? (7,5)

DOWN

- 1 Plunging right amongst the traffic stream maybe (7)
- 2 Spent? More like dead and ready to be buried (4,5)
- 4 Beer sir we manufacture (9)
- 4 Trees transplanted (5)
- 5 Saw if the dress fitted, and attempted to get away with it (5,2)
- 6 Work the model did it was disapproved of (7)
- 7 The first guard presumably marks time only till noon (7,5)
- 10 Showed how opposed one was to the legislation (12)
- 15 Where a shop-lifter may hide the paint (9)
- 17 Beat up right amount of butter or sugar perhaps, and... (7)
- 18... mix up in a small measure and cook (7)
- 19 What a gay old dog may do if he gets a bird? (7)
- 20 Highland attendants, in wooded ravines that is (7)
- 22 Before 10 each meal has been finished (5)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Romema, 623191; Balaam, Salah Eddin, 272815; Shu'fat, Shu'fat Road, 810108; Dar Aldawa, Herod's Gate, 282058.
Tel Aviv: Lev Ha'ir, 69 Ahad Ha'am, 613862; Kupat Holim Leumi, 4 Hehman, 257221.
Netanya: Karniel, Kiryat Nordau commercial centre, 5177A.
Haifa: Meuhedet, 6 Simat Adit, 64431.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics) Shaare Zedek (internal, obstetrics), Hadassah Ein Karem (surgery, orthopedics, ophthalmology, E.N.T.).
Tel Aviv: Rokah (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

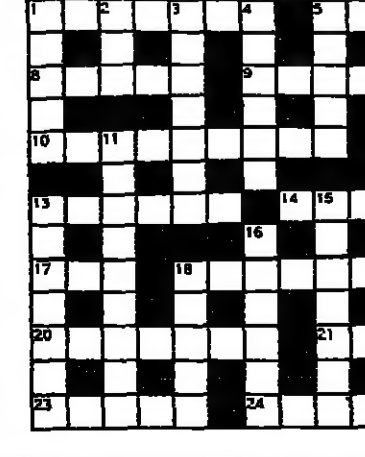
Ashdod 41333
Ariel 22333
Bat Yam 951111
Beersheba 74767
Carmiel 988555
Dan Region 781111
Eilat 7233
Haifa 512333
Holon 803133
Jerusalem 523133
Kiryat Shmona 44334
Nahariya 923333
Netanya 23333
Petah Tikva 923111
Ramat Gan 451333
Rishon LeZion 942333
Safed 30333
Tel Aviv 240113
Tiberias 90111

FLIGHTS

24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

QUICK CROSSWORD

1 Nought



5 Performing

8 Drive
9 Bare tot (anag.)
10 Deputed
12 Bread grain
13 Esoteric
14 Craven
17 Ill
18 Taken apart
20 Small house
21 Rough building
23 Burdened
24 Leather dealer
DOWN
1 Water nymph
2 Extremity
3 Criminal
4 Locations
5 Great fear
6 Verbally intrude
7 Piece of clothing
11 Torn
13 Related to vision
15 Concocted
16 Estimate
18 Pulled
19 Capital of Senegal
22 Be ill

Yesterday's Solution

CAPITAL STROLLER
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6 R
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MARKET PLACE

DAVID KRIVINE

Less 'made in Japan'

Believe it or not, the Japanese economy is in trouble - bad trouble. The country has slumped and has to take due punishment. Its sin is the opposite of ours, so is its penance.

To explain: there is a rule in international trade. Every country must (in the long run) export the same amount as it imports. Japan and Israel have both broken that rule. Japan exports more - much more than it imports. Israel exports less - much less than it imports.

On the face of it the Japanese are the sinner of the two. They over-produce and give the surplus away. We shrewdly come along and produce a good deal more, so that other countries find themselves donating their surplus to us.

Unluckily there is a price-tag on these gifts. The Americans took \$50 billion of Japan's surplus last year. That gave them a trade deficit with Japan of \$50b., which this year is expected to grow to \$60b. The U.S. cannot go on like that; it is running out of dollars. Indeed, Israel ran out of dollars long ago.

There is a remedy in both cases. Japan must export less and Israel must export more. The one of course facilitates the other. The less Japan sells, the more room there is in the world market for Israeli goods and services.

The difficulty is in the process, which functions through exchange rates. In order to import more and export less the Japanese are having to let the price of the yen go up. That leads to bankruptcies and unemployment. The costly yen is pricing many Japanese products out of the market. Toyota Motors predicts that every 1 per cent rise in the yen loses them \$40m. of foreign sales.

They can console themselves with the thought that their country's (and the world's) trade imbalance is being corrected. The method is unhappy, painful, at least for Toyota and other companies trying to sell goods.

Israel has to do the opposite: import less and export more. She has in the past tried to let the shekel go down, but unsuccessfully because wages and other production costs are index-linked.

The alternative is to lower wages. That happened last year and the trade balance improved from a deficit of \$5b. in 1985 to \$4b. in 1986. But we exclude arms: the improvement (in civilian trade) is striking, the deficit falling from \$4b. to a little over \$2b.

We have won half the battle. But if wages go back up again this year, the trade balance will stop improving and may deteriorate. Lowering wages sharply leads to bankruptcies and unemployment, just as raising wages sharply does. Reduced salaries for everybody means reduced purchasing-power in the economy. If Israeli families buy less, the firms supplying them are in a quandary.

The cure is contained in the prescription: increase exports. That will absorb all the labour and capital made redundant on the domestic market. Japan has to do the opposite and reduce its exports. As the yen goes up that will happen, which is mournful news for some, but there is a cure in this prescription too. Purchasing power in Japan will increase. For every \$100 of imports the average Japanese bought last year he can - with the same outlay - buy \$130 this year.

Unless something is done, the Japanese firm will sell alone. The not only can it not sell elsewhere, under its own market by cheap exports (cheaper in terms of the yen).

What to do? Easy: always do the opposite of what Israel does. Israel has to reduce wages; very well, let Japan increase its wages. That will make the job of exporting more difficult still, but purchasing-power will expand inside Japan, offering a bigger outlet to the local manufacturer.

He is helped by the fact that the Japanese on the whole do not like foreign goods, they prefer home products. The sale of foreign cars has risen by one-third so far this year to 60,000 vehicles - which is a laudable 2 per cent of the Japanese market.

If the double process - selling less abroad and more at home (the task of the Japanese) and selling less at home and more abroad (the task of the Israelis) is fulfilled, everybody will be happy in the end. Regrettably the intervening period is hard, because the contraction has to take place before the expansion.

Exports, investment imports up

Statistics point to economic recovery, Bank of Israel says

By AVI TEMKIN
Post Economic Reporter
After months of sluggish growth, the economy is showing signs of recovery, led by a marked rise in exports, the Bank of Israel Research Department said yesterday.

In a report on the economic developments of the last several months, the department said it found indications of growing imports of investment goods, after a several-month slump. During July and August imports of investment goods averaged \$134 million, compared with an average of \$117m. in the March-June quarter. It added that it was still unclear whether the recent surge in the purchase of consumer durables would continue.

In a related development, Deputy Finance Minister Adi Amoyal said yesterday that the Treasury would be forced to take action if consumer-spending levels did not decline after the High Holidays. At the same time, however, his boss, Finance Minister Moshe Nissim, reiterated

his position that the high level of spending did not require any hasty measures by the government to bring it under control.

Department officials interpreted the figures to mean that the adjustment process, following the launching of the July 1985 economic stabilization programme, had reached an end in the summer months. The figures showed that industrial production rose markedly in June, and was already above its pre-July 1985 levels. The industrial production index grew just under 2 per cent to 110 in June from 106 in May.

The report said there was still no clear explanation for the drop in investment in the recent months or for the wage increases granted by the private sector in the first months of the year. "We simply cannot explain why this happened and why there was no economic growth in the second quarter of the year," the document said.

But the report added that the last

two months had witnessed a clear recovery in economic activity, which suggested that the problems experienced by the economy in the second quarter were temporary. It said, nevertheless, that it was still too early to know whether growth was in fact up or if the recovery would continue. A large part of the answer depended on economic policy, the report stated.

It recommended that policy-makers continue reducing the public-sector work-force, reform the capital market and the tax system.

Bank officials said recent statements about the threats to stability posed by the surge in private consumption were exaggerated. They said the increase came after many months of low consumption levels and that the country's standard of living was still below its 1983 peak. Nevertheless, they admitted that the rise in living standards had been achieved through a reduction in private savings, which had been encouraged by the credit campaigns launched by retail chains.

Teva gets nod to market drug in U.S.

By MICHAEL YUDELMAN
Jerusalem Post Reporter
Teva Pharmaceutical Industries Ltd. has obtained approval from the U.S. Food and Drug Administration (FDA) to market a drug against epilepsy in the country.

The drug will be the first product to be marketed in the U.S. through joint venture between Teva and a large American company. It has refused to identify out of concern for the Arab boycott. The venture is to have sales of \$80 million by 1990.

The drug, produced by Teva and marketed under the name Epitol, is expected to have sales of \$2m. in its first year and \$4m. within two years, Teva said.

The patent on the drug's active ingredient, carbamazepine, recently expired, opening up for use by pharmaceutical concerns, Teva said. It was one of the first companies to win U.S. government approval for marketing a product based on the ingredient.

Teva, which is Israel's largest pharmaceutical concern, made a strategic decision sometime ago to seek out overseas markets to maintain sales growth. After exporting to a number of African countries in the early 1980s, Teva's year-launched into the U.S. market, Nati Aharonov, manager of the company's U.S. pharmaceutical business development, told The Jerusalem Post.

COMPANY RESULTS

Jerusalem Post Reporter
Teva Pharmaceutical Industries Ltd.
Year to March 31 1986
Revenue NIS 9.14m. 3.42m.
Net income (4.4m.) (1.89m.)

Two Pharmaceutical Industries Ltd.
Year to June 30 1986
Revenue (NIS 72,000) (110,000)

Teva Cosmetics Co.
Year to June 30 1986
Revenue NIS 3.45m. 1.97m.
Net income 137,000 834,000

Seas Ltd.
Year to June 30 1986
Revenue NIS 14.29m. 13.74m.
Net income 1.09m. 478,000

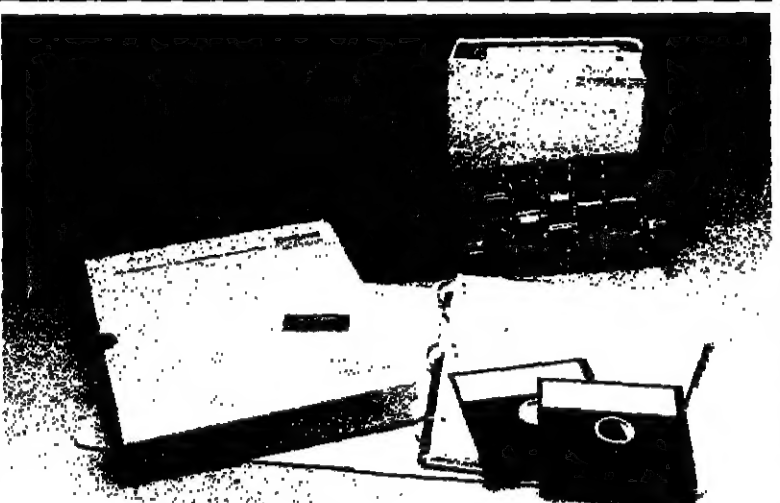
U.S. factory orders plunge; building starts up sharply

WASHINGTON (AP) - Orders to U.S. factories for manufactured goods fell 1.4 per cent in August, the biggest decline in five months, the government reported yesterday.

The weakness came from a 26.6 per cent plunge in orders for defence goods. This volatile category had risen 40 per cent in July.

The Commerce Department said orders totalled \$191.8 billion on a seasonally adjusted basis in August, \$2.5b. lower than the July total. The decline followed a 1.4 per cent increase in July and was the biggest drop since a 2.8 per cent decrease in March. Without the big drop in defence, total factory orders would decline.

In a separate report, the government said spending for construction projects shot up 1.1 per cent in August to a seasonally adjusted annual rate of \$382.2b.



These VSP and DFP systems processors, introduced by Zoran Corp. yesterday, are accompanied by a comprehensive portfolio of support tools, including an application development board, simulator software and documentation.

Zoran introduces two new digital chips

By YITZCHAK OKED
Jerusalem Post Reporter
TEL AVIV. - Zoran Corp., a California-based company with an Israeli subsidiary, yesterday unveiled a new digital signal processing (DSP) chip called the Vector Signal Processor (VSP).

Zoran also unveiled its new Digital Filter Processors. Like the VSP, these processors are contained in a single chip.

DSP is used to enhance, analyse and manipulate images, sounds, radar pulses and other real-world signals for use by computers, a rapidly growing field because many sophisticated computing tasks must be processed by digital pulses.

Zoran's president and chief executive officer, John Ekies, said Zoran's new products would revolutionize signal processing in communications, defence, medicine, and industry. He said the new chips will generate \$80 million in sales by 1990, for

the company, equal to 10 to 15 per cent of its market. The Israeli market is expected to make up 5 per cent of sales.

Zoran is already selling products to several top Israeli companies, including Israel Aircraft Industries Ltd.

Israeli companies and individual shareholders own a significant part, "although less than half," of Zoran.

Zoran - which takes its name from the Hebrew word for silicon - is based in Santa Clara, California. Its Israeli subsidiary in Haifa employs 30 workers.

London share prices close sharply higher

LONDON (AP) - Share prices rose sharply on the London Stock Exchange yesterday as fears of a hike in interest rates receded.

"We have climbed out of the panic syndrome," one dealer said, referring to the market's poor performance late last week and early this week when speculation that the Bank of England would be forced to increase base rates to defend the pound sent prices lower.

In the government-bond market,

some concern over the pound's ability to remain firm was apparent. Although shorter-dated bonds were as much as a quarter point higher, longer-dated ones declined about an eighth of a point.

In the equity market, motors, electricals, electronics and office equipment showed the largest gains, while building materials were lower. The Financial Times index of 30 industrials closed at 1251.7, up 24.7 points.

In the chemical sector, Glaxo rose 32 pence, ICI was up 18, Boots was up 10 and Beecham was up 21 pence.

Elsewhere, Lloyds Bank, which is one of the major British lenders to Mexico, rose two pence following the announcement late Tuesday that the country's major creditors had reached agreement to lend it a further \$6 billion. Midland rose five pence, while National Westminster was up two and Barclays was up three pence.

Gov't. had NIS 196m. surplus in month

By AVI TEMKIN
Post Economic Reporter

The government posted a NIS 196 million budget surplus last month, while it continued to refrain from rescheduling all of its maturing debt, the Finance Ministry reported yesterday.

The surplus came even though the government started transferring special aid to financially troubled firms after months of delay. The transfers resulted in an injection of some NIS 225m. in fresh funds into the capital market. That brought the overall monetary injection by the government to some NIS 29m. in September.

In a related development, the Bank of Israel reported that Israel's foreign-currency reserves rose \$23m. last month to \$3.103 billion at the end of September. Israel received \$375m. from the U.S. this week, the last instalment of the \$1.5b. emergency aid package for Israel, but the sum did not enter into the reserves calculations until October, officials noted.

The central bank said the official monetary-injection figure for last month was NIS 64m. but this included a payment of NIS 35m. by the government to the central bank for bonds the latter held. However, this was only a book-keeping operation and had no real effect on the economy, the bank said.

Commenting on the monetary figures the Treasury noted that government spending in September had returned to its low levels of the beginning of the fiscal year. Spending had shot up a 14 per cent increase in July and August due to seasonal factors.

The ministry spokesman said that last month the government had decided against rescheduling internal debts of some NIS \$4m. In addition it granted credits worth "NIS 176m." including NIS 105m. to financially troubled firms. The spokesman added that since the beginning of the fiscal year the government's excess of revenue over spending, excluding capital-market operations, totalled some NIS 34m.

Correction

The headline of a story appearing on this page of yesterday's Jerusalem Post incorrectly identified the bank whose top officers left their posts as of Tuesday. As was stated in the body of the story, Eli Cohen, Leon and Udi Recanati, and Raphael

Molcho were the chief officers of Bank Discount. Udi and Leon Recanati were misidentified in the story. They are the son and nephew, respectively, of former Discount chairman and general manager Raphael Recanati.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:
General Share Index 116.95 +0.07%
Non-Bank Index 145.72 +0.52%
Arrangement Insurance 168.41 +1.61%
Commerce, Services 181.30 +0.18%
Real Estate 185.78 +0.84%
Industrials 191.19 +0.19%
Metals 187.74 +0.39%
Electronics 85.81 +1.01%
Chemicals 132.67 +0.59%
Industrial Invest. 117.96 +0.38%
Investment Cos. 141.42 +1.52%
General Bond Index 110.11 +0.12%
Index-linked Bonds 105.52 +0.21%
Fully-linked 114.01 +0.07%
Facility-linked 110.04 +0.17%
Dollar-linked Bonds 83.82 +0.19%
Short-term 0-2 yrs 108.31 +0.22%
Medium-term 2-5 yrs 109.28 +0.15%
Long-term 5+ yrs 104.47 +0.04%

Turnovers:
Shares - total NIS 7,285,300
Arrangement NIS 2,068,500
Non-Bank NIS 5,788,400
Bonds - total NIS 6,104,600
Index-linked NIS 4,100,800
Dollar-linked NIS 2,004,600
Treasury Bills NIS 3,994,200
Share Movements:
Advances 114 (131)
Of which 5%+ 16 (12)
"buyers only" 1 (2)
Declines 162 (133)
Of which 5%+ 7 (3)
"sellers only" 1 (1)
Unchanged 84 (95)
Trading Halt 54 (55)
Bond Market Trends:
Index-linked 3% fully-linked Mixed to 1%
80% linked Double-linked Stable/rises to 2%
Dollar-linked: Admon Rimon Gilboa For. Curr. denominated Treasury Bills (annual yield) 18.30-18.25%

Arrangement yields:
IDB ord. 15.30%
Union 0.1 15.41%
Discount A 15.78%
Adconstr. 15.34%
Hapoclim r. 15.28%
General A 15.19%
Leumi stock 15.32%
Fin. Trade 1 15.12%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	Change
Commercial Banks				
(not part of "arrangement")				
Maritimo	1020	1222	-1.4	
General non-arr.	22100	13	+0.9	
First Int'l	3485	398	-0.9	
FIBI	4043	2551	-1.4	
Commercial Banks				
(part of "arrangement")				
IDB	79800	202	+0.6	
Union 0.1	59300	149	-0.4	
Discount	101100	324	+0.4	
Mizrah	32860	749	+0.8	
Hapoclim r.	54300	882	+0.5	
General A	139000	9	+0.9	
Leumi 0.1	34480	1494	+0.2	
Fin. Trade	45900			
Real Estate, Building and Agriculture				
Azorim	580	10663	-1.4	
Elion	no trading			
Africa lar. 0.1	34100	30	-1.7	
Dankner	5000	490	-5.7	
Prop. & Bldg.	2570	2531	+1.0	
Seaport 0.1	3680	150	+0.2	
ILDC	50500	20	+0.2	
Rasco r.	no trading			
Mehadrin	7582	105	+1.1	
Hadarim	1189	1819	-	
Industrials				
Dubek b	3280	605	-0.8	
Pr-Ze 1	1240	1165	+0.6	
Sunifrost	10285	482	+10.0	
Elite	16300	215	+1.9	
Adger	1358	1663	-	
Argaman r.	13000	41	-3.7	
Delta G 1	2800	1087	-1.9	
Maquette 1	3540	150	-0.3	
Capla	no trading			
Polgar	no trading			
Schoeller	no trading			
Rogosin	3080	2030	+3.4	
Al r.	7558	98	-1.3	
Is. Can. Co. 1	2240	3123	-	
Zion Cables	2101	382	-7.5	
Packer Steel	no trading			
Elbit	333000	30	+2.5	
Elion	263500	1	-	
Arit	26000	123	-3.0	
Clai Electronics	1899	275	+2.0	
Spectronix 1	1820	1384	-	
T.A.T. 1	3300	71	+4.8	
Adconstr. 1	957	3588	+1.6	
Agan 5	18000	60	-	
Alliance	2517	192	-5.0	
Dexter	no trading			
Fertilisers	4747	42	+1.0	
Haifa Chem.	no trading			
Teva r.	6386	758	-1.1	
Dead Sea r.	4315	2184	-0.1	
Petrochem.	526	24198	-4.5	
Neca Chem.	2890	280	-9.1	
Frutaron	12811	49	-	
Hadara Paper	220000	22	-0.9	
Central Trade	7310	1227	-	
Koor p.	528500	0.3	+0.1	
Clai Inds.	1202	7051	-0.8	
Investment Companies				
IDB Dev. r.	3980	2280	-1.0	
Elion r.	3168	1735	-2.8	
Ark 1	231	3824	-10.1	
Gahleit	8020	601	-2.2	
Israel Corp. 1	113000	1	+0.9	
Hapoclim Inv.	5840	1040	-1.0	
Leumi Invest.	no trading			
Discount Invest.	2255	3619	-0.9	
Mizrah Invest.	14800	43	-0.7	
Clai 10	822	8634	-	
Lendeco 0.1	6318	5.0	-1.5	
Pama 0.1	10100	644	+2.0	
Oil Exploration				
Paz Oil Expl.	15430	101	+1.8	
J.O.E.L.	2340	910	-1.7	

FINANCIAL DATA ISRAEL EUROPE U.S.

ISRAEL MONEY MARKETS

	Last Updated	Tapes	Pakam 7-Day	Pakam 30-Day
LEUMI	30.9	7-15.00%	8-15.75%	8-18.00%
HAPOLIM	25.9	8-15%	10-15.75%	12-14.50%
DISCOUNT	21.9	8-17%	8-17%	8-17.50%
MIZRAH	8.5	8-16%	6-15%	6-17%
FIRST INT'L	23.7	8-16%	7-17%	8-17%

PATAH - FOREIGN CURRENCY DEPOSIT RATES (September 30, 1986)

	MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.500	5.500	5.625	5.625
STG (100,000 pounds)	9.250	9.500	9.525	9.525
DMK (100,000 marks)	3.625	3.750	3.750	3.750
SPR (50,000 francs)	3.250	3.375	3.375	3.375
YEN (3,000,000 yen)	3.375	3.375	3.375	3.375

SHEKEL FOREIGN EXCHANGE RATES (September 30)

SHEKEL FOREIGN EXCHANGE RATES (September 30, 1983)						
	CHEQUES AND TRANSFERS		BANKNOTES		Rep. *	
	Buy	Sell	Buy	Sell	Rates	
Currency basket	1	1.4860	1.5070		1.4800	
U.S.A. Dollar	1	1.4808	1.4992	1.46	1.53	1.4841
Deutschmark	1	0.7324	0.7416	0.72	0.76	0.7322
Pound Sterling	1	2.1464	2.1731	2.11	2.21	2.1460
French Franc	1	0.2237	0.2264	0.22	0.23	0.2236
Japanese Yen	100	0.9637	0.9757	0.95	1.00	0.9614
Dutch Florin	1	0.6479	0.6590	0.64	0.67	0.6475
Swiss Franc	1	0.9035	0.9147	0.89	0.93	0.9019
Norwegian Krone	1	0.2146	0.2172	0.21	0.22	0.2149
Swedish Krona	1	0.2013	0.2038	0.20	0.21	0.2010
Danish Krone	1	0.1938	0.1962	0.19	0.20	0.1939
Finnish Mark	1	0.3025	0.3083	0.30	0.31	0.3026
Canadian Dollar	1	1.0680	1.0813	1.05	1.10	1.0689
Australian Dollar	1	0.9307	0.9422	0.90	0.97	0.9301
S. African Rand	1	0.5694	0.5746	0.43	0.52	0.5671
Belgian Franc	10	0.3497	0.3540	0.35	0.36	0.3529
Austrian Shilling	10	1.0402	1.0532	1.03	1.08	1.0406
Italian Lira	1000	1.0592	1.0724	1.04	1.10	1.0592
Jordanian Dinar	1	—	—	4.71	4.47	4.5584
Egyptian Pound	1	—	—	0.78	0.83	0.8163
	1	1.5304	1.5484	—	—	1.5303

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Forward step

EVEN though the occupied, or administered, territories remain under Israel's rule - the Arab citizens of West Bank and Gaza towns have the right to elect their own municipal leaders. The appointment of local dignitaries to head the town administrations of Hebron, el-Bireh and Ramallah is, therefore, a step in the right direction.

The situation, created by the Likud, where all West Bank towns were being run by military government officials plainly could not go on indefinitely. Yet a return to normality was not possible without cooperation by the Palestinians themselves.

This week's mayoral appointments would have been made earlier but for the assassination by PLO terrorists of the first appointee, Nablus mayor Zafar al-Masri, shortly after his installation last March. The readiness of the trio of Dr Abdel Majid a-Zir, Hassan a-Tawil and Khalil Musa Khalil to take over the handling of the affairs of their respective towns suggests that they were not cowed by the terrorists.

Jordan's approval must have helped persuade the three moderately pro-Jordanian, but professedly non-political, personalities to accept Israel's mayoral offers. Although all three have protested that their motives in accepting were not political, the political significance of their gesture can hardly be gainsaid.

It denotes a tacit agreement between Israel and Jordan to make progress, however slowly and undramatically towards a solution to the Palestinian problem that would also meet the needs and interests of both states.

It was to be expected that thumbs would promptly be turned down on any sign of collaboration between Israel and Jordan by rejectionists in both camps. The Syrian-based terrorists blasted the three new mayors as traitors to their people, and threatened to do them in. This side of the fence Gush Emunim, having failed in its bid to bar the appointments, has tried another ploy by calling for the dismissal of the Hebron mayor for a display of racism.

Racism it was, the Gush informed Attorney-General Yosef Harish, for Mayor Abdel Majid a-Zir to state on Kol Yisrael that he opposed increasing the number of Jewish settlers in his town, as well as additional housing construction for the settlers.

Since Gush Emunim has never been known to feel very strongly on the subject of racism, such language might appear to be merely farcical. But it was obviously meant in real earnest. To the Gush, racism is when Arabs in areas that are not - at least not yet - Israel's, object to Jews settling in their towns with the express object of making them predominantly Jewish, thus ensuring that the areas eventually become inseparable parts of Israel.

What Gush Emunim fears is that the grant of municipal self-rule to the Palestinians in the territories, and especially in Hebron, may thwart its aim of gaining hegemony over the towns. The fear is not wholly unwarranted. So, too, is the terrorists' suspicion that every West Bank mayor appointed to administer his town's affairs means putting the real interests of the Palestinian inhabitants before the pie-in-the-sky design for a PLO state that would eventually overturn the State of Israel.

Who serves whom?

CONSIDERING how much the Israel Electrical Corporation has done for the country since the days of its founder, Pinhas Rutenberg, it may seem strange that it should be so widely mistrusted; and that, for example, its recent plan for the reactivation of Tel Aviv's Reading Gimel power station should evoke such fiercely emotional resistance.

But there is a reason for this. Quite apart from being Israel's almost exclusive electrical power-producer, the IEC is also viewed as an arrogant power grabber that easily flattens down all opposition in its way. With its finger on the nation's jugular vein, the IEC has been able to disregard the popular will and to reduce the government itself to the role of a dutiful subsidiary.

That is why the average wage of IEC workers is roughly double the national average and why they receive all the electricity they choose to consume completely free. That too is what made it possible for the IEC in the 1960s to erect the Reading Dalet power station just north of the Yarkon River, with its hideous priapic smoke-stack pouring out dirt over half of Tel Aviv. The general rule is that whatever the IEC wants, the IEC gets.

Now, anxious to prevent a recurrence of the countrywide blackout three years ago, the IEC would like to reactivate Reading Gimel, an inactive power station located smack in the middle of a residential area of North Tel Aviv, as a backup for Reading Dalet during peak hours. Power would be produced by underground gas turbines for a maximum of 60 hours a year.

On the face of it, a perfectly sensible plan, the implementation of which should prove only a minimal environmental risk. Mayor Shlomo Lahat's expressed fear that the turbines will emit as much noise and pollution as 2,000 buses starting up together may be sheer poppycock. But Mayor Lahat's outrage at the IEC for having pushed Reading Gimel through the Ministerial Economic Committee without having begun to prove its case is entirely justified.

The ministers of health and the interior take strong exception to the Reading Gimel plan, but the committee, bowing to the IEC's judgment, overrode the two ministers' opinion. It also disregarded the objections of Malraz, the Council for the Prevention of Noise and Air Pollution. In fact, it took its decision without even waiting for an expert panel set up by the Health Ministry to report on the expected ecological effects of the power station.

In an interim report, the panel agreed that Reading Gimel might be reactivated during security emergencies; but on no other occasion.

The implementation of the ministerial committee's own decision is supposed to be held up pending a survey due to be conducted by an inter-ministerial team. But the conclusions of such a survey may easily be predicted. For the whole purpose of this procedure is to pre-empt the necessity of the IEC consulting with the public at large and its representatives.

Evidently startled by the uproar caused by its Reading Gimel plan, the IEC has now taken its case to the public in huge and hugely expensive advertisements in the Hebrew press, which will be paid for by the taxpayer and the electricity consumer. A little less high-handedness and a little more true concern for the opinion of the public would serve much better.

Hussein must take a chance

YEHEZKEL DROR

SOMETIMES LEADERS of nations must "gamble with history" and take momentous decisions in the face of irreducible uncertainties. This is the situation facing King Hussein, who must choose between taking a risk or losing for sure. Hussein's best option is to give strong public endorsement to the international forum agreed on by President Mubarak and Prime Minister Peres, and to declare his readiness for direct, open negotiations with Israel following an international forum meeting. Otherwise, he will lose everything.

Not surprisingly, Hussein hesitates and tries to play it safe. Waiting for additional Arab support and for visible Palestinian backing, delaying overt action till an international conference takes place, seeing what happens in Israel after the rotation, may seem an attractive strategy for Hussein. However, he is wrong. Unless he jumps through the present window of opportunity - and braves a potentially hard landing - it will close and the king's options will evaporate.

The Palestinian issue can only be resolved by some kind of Jordanian solution. Several scenarios support this conclusion: If Israel unilaterally implements the autonomy, the Arab residents in the territories still can

achieve political rights and statehood only within Jordan; if Israel annexes Judea and Samaria, demographic realities make it essential for the Arab population to realize its political rights in Jordan; and if a quasi-independent Palestinian entity is set up in Judea and Samaria, its only chance for long-range viability lies in taking over Jordan.

Such possibilities may make Hussein more hesitant and cause him to prefer the status quo over taking a risk. But this is a mistake because the status quo cannot continue for very long. Stubborn facts of reality will sooner or later channel Israeli and Palestinian, as well as Egyptian, policies into a converging desire to solve the Palestinian issue in Jordan. If Hussein does not lead the way to such a solution, it is only a matter of time until Israel, possibly together with Egypt, differentiates between a "Jordanian" and a "Hussein" option and cooperates in one way or another with Palestinians in bringing about the transformation of Jordan into a Palestinian state.

KING HUSSEIN cannot expect a better gambling opportunity than the Mubarak-Peres accord. Even if

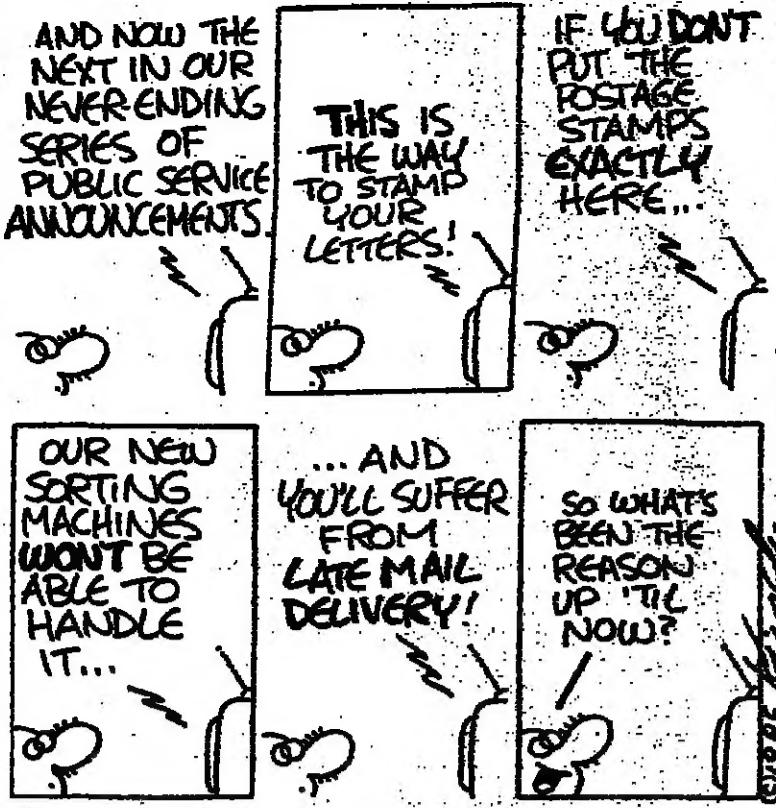
an international conference cannot be realized, the best chance for Hussein is still a direct agreement with Israel, supported by Egypt and the U.S. A condominium over the territories provides a good chance for relatively smooth transition to a Jordanian-Palestinian state, which would meet the aspirations of most Palestinians and Israelis alike.

When countries are unstable the risks of taking daring decisions are less than those of trying to "play it safe" by clinging to the status quo and waiting for a better opportunity. That chance may never come. Hussein must take a real risk, because not taking it is the biggest risk of all. The probability of further reassurances is very small indeed.

Once a preferable "policy gamble" is identified, diluting it with various play-safe games only spoils it. It may be best for Hussein to adopt a dramatic posture, such as offering to come to Jerusalem to make arrangements with Israel for an international meeting and direct negotiations. He should make this historic gesture without further consultation with Arab leaders and Palestinian activists, so as to create a situation to which others must adjust.

Such a step will assure Hussein's historic stature and gain international

Dry Bones



al admiration and U.S. support, making it hard for his enemies to do more than bark. It will also make a big impact on Israeli public opinion, facilitating an agreement that meets both Hussein's and Israel's essential needs.

With a dramatic initiative or more conventionally, with international sponsorship, King Hussein must

rapidly move towards public and direct negotiations with Israel. Otherwise, his family will not continue to rule Jordan for long. Therefore, his real choice is either to gamble or to lose.

Yehezkel Dror is Professor of Political Science and Director of the Centre for Security Studies at the Hebrew University of Jerusalem.

The dilemmas of the Demjanjuk case

ERIC LEE

NOW THAT THE gruesome charges against Ivan Demjanjuk have finally been presented and there will now be a wait of a couple of months before the trial begins, public interest in the case has died down. When Demjanjuk arrived in Israel earlier this year, the newspapers were filled with photos of the prisoner, his cell, his captors. But the long process of gathering evidence has successfully quashed interest in the affair precisely at the moment when it reaches its climax.

The long period during which evidence was amassed and sifted led some to begin to doubt the prosecutors' ability to prove that John Demjanjuk of Cleveland, Ohio is, in fact, "Ivan the Terrible" of the Treblinka death camp. One Israeli newspaper has already warned the prosecutors that they had better get the evidence quickly, and any way they can, for otherwise Israel will be embarrassed by the affair and Holocaust-deniers around the world will have a field day. Under this kind of pressure, Israeli prosecutors have been trying to secure Soviet cooperation and obtain Soviet evidence which will assure Demjanjuk's conviction.

I am not certain that this approach - either the piously need to show that John Demjanjuk is Ivan, or the willingness to use the Soviets to prove it - will, in the long run, serve Israel's needs. To understand the dilemmas of the case, it is useful to have some understanding of recent Ukrainian history.

WITH THE dissolution of the Russian Empire at the end of World War

I, Ukraine declared itself an independent state. Moscow accepted Ukrainian independence as a fact, and a Ukrainian delegation participated together with a Russian one in the Brest-Litovsk peace talks with the Germans. But the Ukrainian republic, unlike the Polish and Finnish republics, was soon crushed by a combination of the Red Army and local Communists, and by the early 1920s the Ukraine was a secure part of the emerging USSR.

However, Ukrainian nationalism flared up again in the 1930s and 1940s as a result of Stalin's Great Russian policies. In the 1930s, millions of Ukrainians died in famines and deportations in an act of genocide which has only been documented and revealed since Stalin's death. The sufferings of Ukrainians under Russian rule were amplified by the disorderly retreat of the Red Army at the beginning of the German invasion of the Soviet Union in 1941. Millions of Ukrainians fell under German rule, and their land was devastated.

Many Ukrainians, soldiers in the Red Army like Demjanjuk, were taken prisoner by the Germans. Other Ukrainians were drafted by the Germans to do forced labour - a pattern repeated in all the European countries occupied by the Germans. Some Ukrainians (I won't venture to guess how many) collaborated with the Germans, seeing them as saviours from Russian rule. Many Ukrainians fought as partisans behind German lines - both Red partisans working in collaboration with the Soviet army, and nationalists

who dreamed of a Ukraine which would be free of both Russians and Germans. Finally, many Ukrainians continued to fight in the Red Army until the end of the war, and played a vital role in the Allied victory.

With the war's end, Stalin demanded - and received - the return of all Soviet citizens who had fallen into German hands or otherwise got to the West. The story of their deportation - often at gunpoint - back to the USSR is one of the saddest episodes in modern European history. It became a scandal again in the 1970s when Solzhenitsyn dragged up the issue in *The Gulag Archipelago*.

DEMJANJUK's history is tied up intimately with the history of his people. While there is no doubt that some of the Ukrainian prisoners actively collaborated with the Germans, others did not. While some of the nationalists welcomed the German invaders, others fought them. Demjanjuk claims to be an innocent victim of terrible times.

The Ukrainian communities in exile have tended to be highly critical of post-war trials of Ukrainian collaborators. They argue that Soviet evidence is fabricated, and that the USSR has an interest in making the Ukrainians who escaped to the West look like traitors and Nazis. They believe that most of their countrymen hated Russian rule, but did not succumb to the temptation of working with the Nazis.

Meanwhile, in the Ukraine itself, a new nationalist movement began to thrive again in the 1960s. Ukrainian dissidents once again raised the issues of national freedom and independence. The expression of Ukrainian dissent coincided with, and was part of, the birth of the new democratic movement that arose at the same time. The struggle of Soviet Jewry was part of that same upsurge.

The formation of the Helsinki monitoring committees in Russia, the Ukraine and elsewhere in the mid-1970s provided the organizational link between the new nationalism, the human rights movement, and the Soviet Jewish struggle. The fate of Ukrainian nationalists and Soviet Jews was linked in a common fight for freedom. As a result, much of the anti-Semitism previously associated with Ukrainian nationalism was shunted aside as the new generation discovered in the Jews an ally in the struggle for human rights.

This is not to deny that there are no longer Ukrainian anti-Semites, or that Ukrainian nationalism was not tainted with anti-Jewish hatred from its beginning. The pogroms and the collaboration with the Nazis are undisputed historical facts. The Ukrainian people should consider them well when they condemn Israel and the Jews for treating all Ukrainians with suspicion.

But the new reality of a human rights movement in the Ukraine, the Ukrainian need for Jewish allies and the Jewish need for allies among the Ukrainians should temper that suspicion. Jews and Ukrainians must

find ways of opening a new dialogue, one which frankly confronts the tragedies and the crimes of the past, but which aspires to a better future.

AS FOR the Demjanjuk case, it is vital that Israel take immediate efforts in the disclosure of Ukrainian-Jewish reconciliation. The key question in the case is justice. A scrupulously fair trial and establishing Demjanjuk's identity beyond a shadow of a doubt are more important than finding the accused guilty. If it turns out that there is doubt about his identity, he should be released. The good it would do for Israel is greater than the harm.

Another consideration is the use of Soviet-supplied evidence in the Demjanjuk trial. That evidence might be perfectly valid; there are no doubt some honest and decent people in the Soviet legal system interested in tracking down Nazis. There were some villains among the millions whom Stalin killed. But the KGB is notorious for forging evidence. The Soviet prosecutor's office cannot be relied upon as a source of honest evidence. Ask Shevarnadze.

In short, the Demjanjuk case is intimately tied up with the history of the Ukrainians, the Jews and the Russians. Knowing this, the Israeli prosecutors should aim not to justify their allegations about John Demjanjuk or the role of Ukrainians, but to seek justice.

The writer is a member of Kibbutz Ein Dor and edits the democratic socialist quarterly, *The New International Review*.

READERS' LETTERS

KINDNESS EXISTS IN HOSPITALS

To the Editor of *The Jerusalem Post*: Sir, - This is written with deep sympathy and understanding for Mrs. Jacqueline Rokotnitz whose letter, "Waiting for death," appeared on September 24. I have gone through similar experiences at the Rambam Hospital, and could easily write volumes about them.

However, on the positive side, I want to publicize the experience I am going through now at the Radiotherapy Centre of the Department of Oncology at the Rambam Hospital. Starting from the physician in charge, and including everybody, his assistants, the nurses, the volunteers and the women soldiers, the atmosphere of helpfulness, kindness and consideration is something which I have never found anywhere else in Israel. This proves that the attitude of the one in charge is vitally important.

I can only express my deepest appreciation of everybody in that department, their patience and understanding, and I want to underline how very important all this is to the person sitting next to the patient. Everywhere else I have been at Rambam, indifference and even rudeness are the order of the day, if not worse. Yet people must believe that there are exceptions to "those bloody Israelis," even if there are not many.

HANNAH BRAMSO

MODERN EQUIPMENT

To the Editor of *The Jerusalem Post*: Sir, - We refer to Joel Greenberg's article of September 5 concerning the economy of the West Bank, as we wish to clarify the situation and give your readers a more balanced picture.

Our enterprise uses the most modern and up-to-date machinery which exists in the food branch and, in the past year, we have invested millions of dollars to acquire the most advanced machinery and equipment available.

May I point out that other large enterprises in Israel manufacturing products similar to ours don't use such up-to-date machinery as ours.

ANTON MARDIROSIAN,
General Manager,
Silvana Chocolate, Sweets
and Biscuits Co.

Ramallah.

SAFE DRUGS

To the Editor of *The Jerusalem Post*: Sir, - As usual, the public is made to feel initially confused by conflicting medical opinions, this time regarding the link between cancer and the pill. "Medical experts split over cancer-pill link," (September 23). And as usual, "someone" decides for the undecided public; in this case, women are encouraged "in the meantime not to stop taking the pill." Surely common sense should tell us to err on the safe side with respect to cancer and stop using the pill until further, more extensive studies have been carried out.

This is especially true in this case

since the someone in question represents an organization (the U.K. Committee for the Safety of Medicines) whose connections with the pharmaceutical industry make it somewhat less than objective, and which has been dangerously slow in the past at taking steps to protect the public (e.g. the Open drug scandal).

Consumers should inform themselves of the facts available and then make their own decision of what they want, or do not want, done to their bodies.

DR. A. MENACHE
Patients Rights Association

Tel Aviv.

BREMEN CAMP SURVIVORS

To the Editor of *The Jerusalem Post*: Sir, - We would like to thank you for Ernie Meyer's article of September 12 about Jewish women in the concentration camp at Bremen.

However, we feel that not enough credit has been given to Dr. Hartmut Mueller for his efforts and activities in our cause. Without him, not much would be known about the camp and not much would have been done to find documents and dig up the facts. In the course of his research, he even found the graves of our dear com-

rades who did not survive and found their death at Bremen.

Although Dr. Mueller has made enemies because of his activities and he and his family have been threatened through the mail and by phone, he still continues his sacred work. He plans to write a book about the camp based on our testimonies, to be used for teaching purposes in schools.

LOLA OHRINGER
LILLY MAOR
In the name of the survivors of
Camp Bremen-Obernheide
Jerusalem.

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Map of the Oral Law

Edited by Abba Kovner

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